

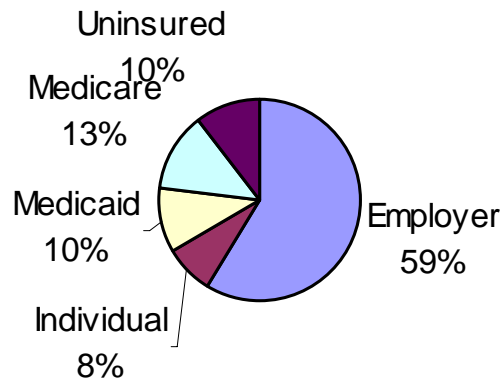


CT's Health Care (non)System

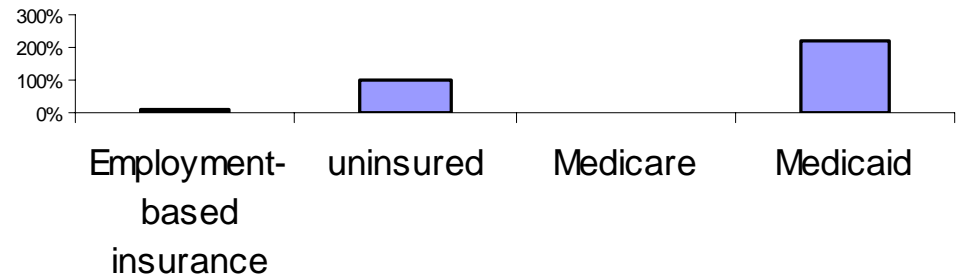
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Health Care Study Group
1/31/08

What CT's health system looks like: it depends on where you are sitting

CT sources of coverage, 2004



% change 1997-2004, CT



Source: US Census

CT's health care system

- \$6,344 per person in 2004
- 12.1 cents of every dollar spent in CT
- CT's health care spending up 5.2% annual avg. from 1991 to 2004
- CT premiums grew 19X faster than CT wages 2001 to 2005
- Health care services employs 1 in 8 CT workers

Important to know about CT

- 44,902 fewer CT residents had employer sponsored insurance in 2005/6 than in 2000/1
- During those years, the % of CT employers offering health benefits dropped by 5%
- Also during those years, HUSKY enrollment grew by 30%
- 31.3% of us in managed care – 5th highest rate in the US
- CT is first in the nation in % of health care spent on nursing homes
- CT hospitals have RN vacancies ranging from 7 to 10%, 2nd worst shortage in US

Health care matters to business

- The Institute of Medicine estimates that the US economy loses between \$65 and \$130 billion each year in productivity due to workers' lack of health coverage
- One study found that providing health benefits leads to a reduction of one in ten days off from work due to illness
- Studies have found that employers who provide health benefits have less employee turn over – a significant savings to businesses in training and recruiting costs
- Poor health reduces earnings by 8.5% to 70%
- Having workers with chronic illnesses take their prescriptions consistently saved employers on average \$633 per worker with heart disease and \$1,475 per diabetic worker in improved productivity and reduced sick days in 1987

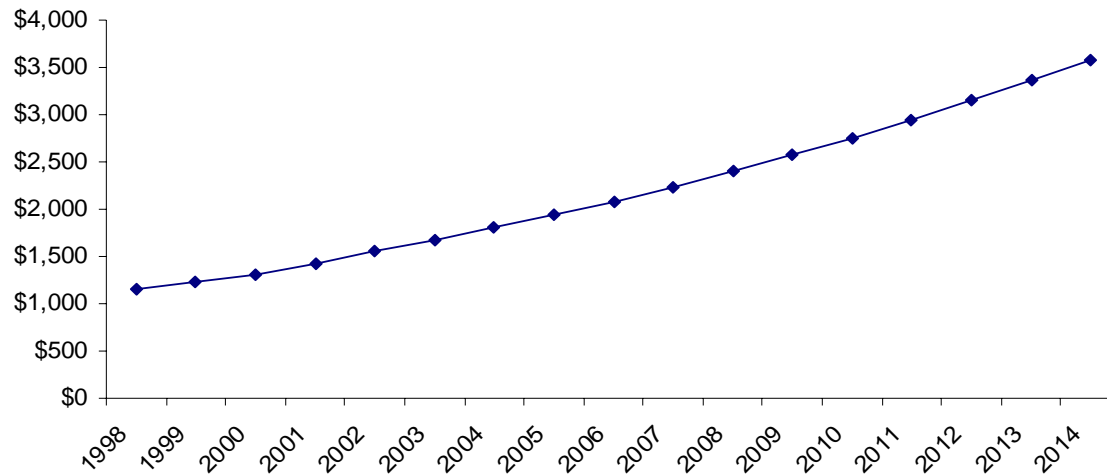
In 2005, the average least costly small business total premium was equal to 75% of the gross income of a full-time, minimum-wage CT worker.

Why is health care so expensive?

- One in nine CT residents doesn't have coverage, adding inefficiency that increases premiums \$198 per year for CT single coverage and \$583 for CT families
- We are getting sicker – rising prevalence of the top five medical conditions accounted for almost a third of the rise in costs
- Lifestyles – when people smoke or don't get exercise, it costs all of us more to treat their health issues.
- Diabetes alone cost CT \$2.43 billion in 2006
- Drug costs are up 2.5X faster than the rest of health care in the last ten years, but it is coming down
- Administrative costs, including profit, have grown 65% faster than health care overall
- Administration consumes 31% of every dollar spent on health care in the US
- Technology advances are a significant driver of health costs, however they are important in reducing future costs

And it's going to get worse

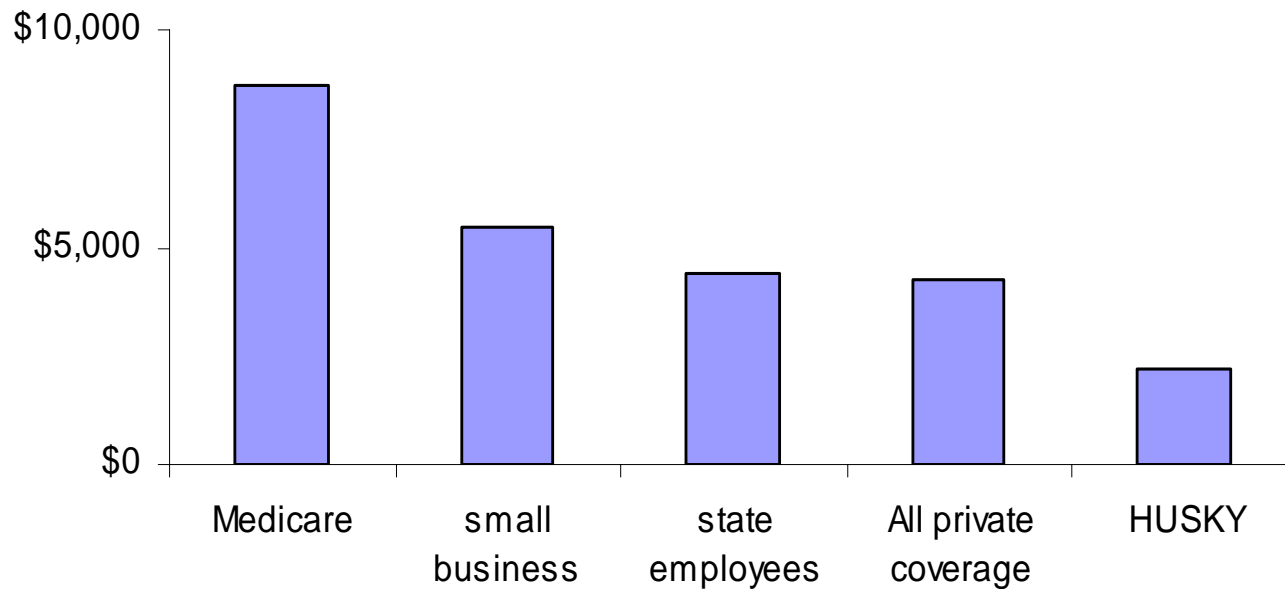
US health care spending projections



Source: CMS

Not everyone pays the same

CT premiums, per person, 2005



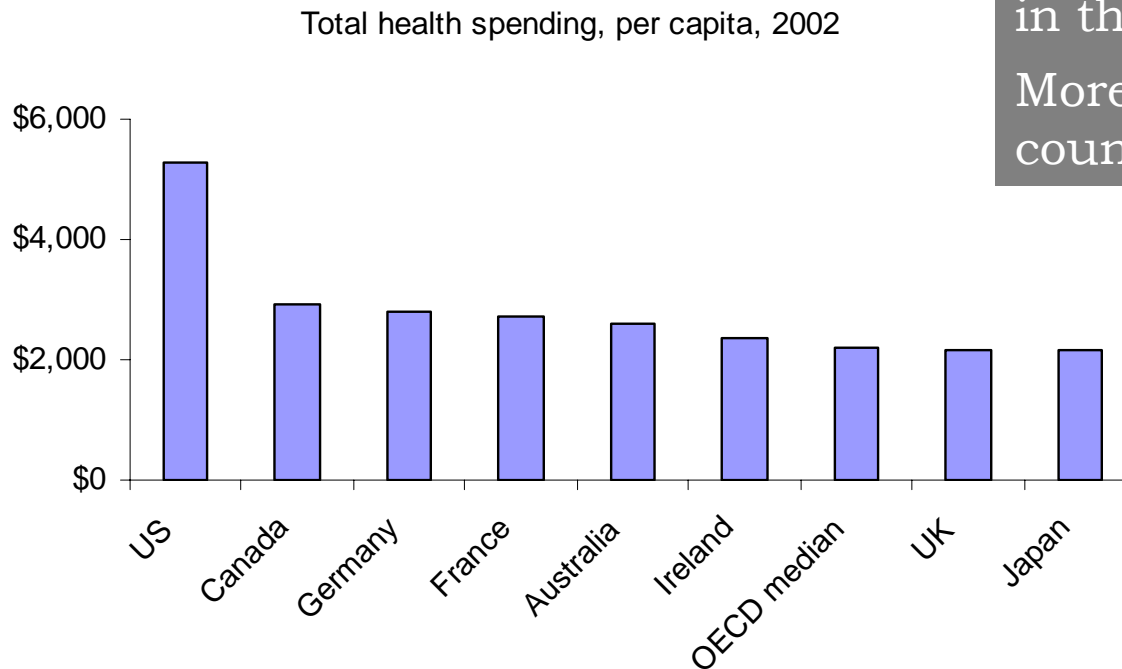
Source: CMS, MEPS, State Comptroller, DSS, OHCA

Are we getting what we pay for? Not Really

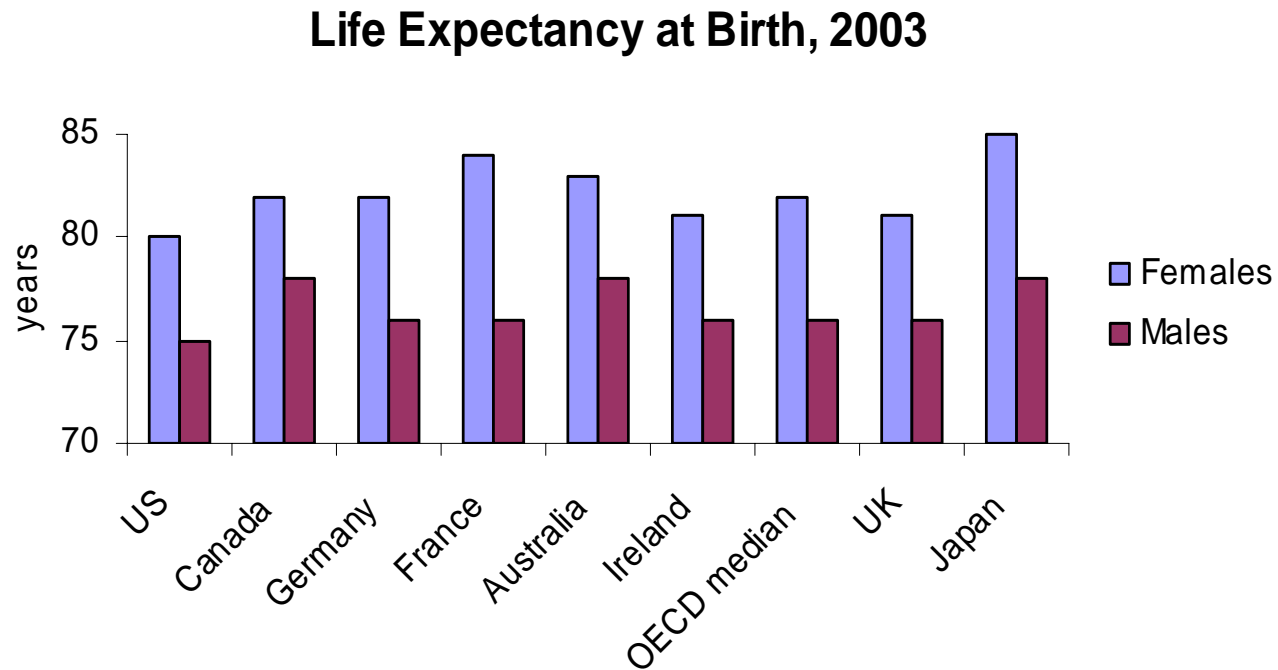
- Every day about 200 American hospital patients die due to medical errors -- more than breast cancer, AIDS or car crashes
- Americans receive only 55% of recommended care
- 15% of Americans have experienced incorrect test results and delays in notification of abnormal results in the past two years
- Adults diagnosed with cancer living in high poverty communities are 18% to 24% less likely to survive
- 42% of heart attack patients in emergency rooms are given overdoses of powerful blood thinning drugs

How are we doing compared to other countries?

Health care consumes 16 cents of every dollar in the US economy. More than any other country.

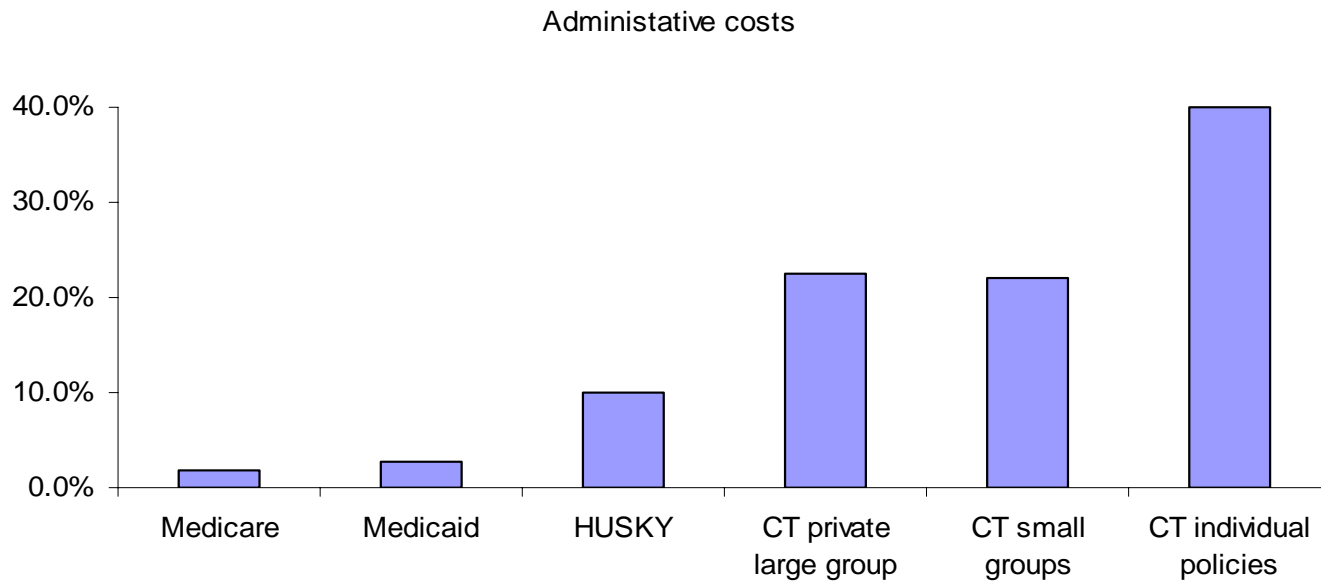


But we have the best health care system in the world, right?



Source: World Health Organization

Efficiency of public programs

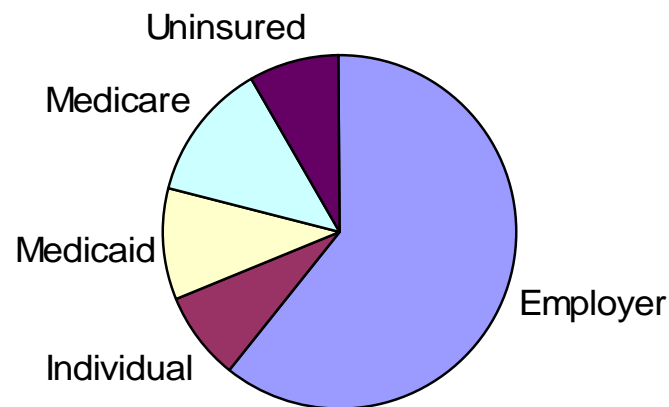


Sources: CMS, DOI, DSS

Insurance Coverage in CT

(US Census, 2006 data)

Employer	2,367,000
Individual	314,000
Medicaid	406,000
Medicare	499,000
Uninsured	325,000



HUSKY

- 328,807 as of Jan. 1
- One in five CT children, one in four births
- Enrollment growing – up 6% over 1/1/07
- Efficient
 - 2006 HUSKY per person avg. \$2,004
 - 2006 CT small group employee-only avg. \$4,848
- Comprehensive coverage -- if you can get it

CT's uninsured

- CT slipped from best in the nation in the proportion of residents with health coverage in 1990 to 10th among states in 2006.
- Two out of three uninsured adults are workers
- Most family incomes \$12,000 to \$45,000/year
- Tend to be single, young adults age 19 to 29
- Nine out of ten do not have a college degree
- Hispanics in CT are >3 times more likely to be uninsured

Who are CT's Uninsured?

- Income is most closely correlated with insurance
- Most uninsured workers are employed at small firms (<50 workers)
- Far more likely to work in service sector jobs
- For 6 in 10, their employer does not offer coverage
- Another 14% are not eligible for health benefits at work
- Half are temporary or part-time workers

It's not healthy to be uninsured

- CT's uninsured are 10 times less likely to get care for an injury and 7 times less likely to get care for a medical emergency
- The uninsured often go without screenings and preventive care
 - 12% of hospital stays for the uninsured could have been prevented with early treatment
- The uninsured are less likely to access on-going care to manage chronic diseases
- Uninsured Americans are less healthy and die earlier

It's expensive to be uninsured

- While the uninsured use half as much health care as the rest of us, they pay far more out of pocket
- Half of bankruptcies are due to high medical bills
 - $\frac{3}{4}$ of those had health insurance when they became ill
- The uninsured are four times more likely to delay seeking medical care due to cost
- The uninsured often pay the highest prices for their care, full retail prices, no HMO discounts

It's not good for communities either

- Taxpayers fund 80 to 85% of care for uninsured
- Access to care is lower for everyone in communities with higher rates of uninsured
 - Hospitals have fewer beds
 - Less likely to offer trauma and burn care
- Providers raise rates to cover uninsured patients, raising local costs of care and premiums
- The costs of caring for the uninsured adds \$257 to each CT individual's premium and \$882 for families
- Public health hazards of increased populations with untreated disease

CT's Uninsured is not a small problem

Number of Uninsured
in CT =

The populations of the
City of New Haven +
City of Bridgeport +
City of Middletown +
City of Norwich

	Population
Fairfield County	882,567
Hartford County	857,183
New Haven County	824,008
CT's Uninsured	325,000
New London County	259,088
Litchfield County	182,193
Middlesex County	155,071
Tolland County	136,364
Windham County	109,091

Number of Uninsured in CT > total # of

accountants, auditors, computer programmers, architects, economists, chief executives, social workers, clergy, lawyers, judges, librarians, writers and authors, photographers, dentists, doctors, pharmacists, registered nurses, veterinarians, dental hygienists, fire fighters, security guards, crossing guards, chefs and cooks, waiters and waitresses, dishwashers, janitors, tree trimmers and pruners, hairdressers, child care workers, insurance sales agents, travel agents, file clerks, mail carriers, electricians, painters, bakers, butchers, machinists, tool and die makers, commercial pilots, air traffic controllers, bus drivers, parking lot and service station attendants, fitness trainers, flight attendants, and legislators

A Healthcare System that Works

- Karen Donelan, ScD, Senior Scientist in Health Policy, Massachusetts General Hospital
- www.medscape.com/viewarticle/503922



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