The US Health Care System: An Overview

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Today’s Topics

• The US Health Care System
• Drivers affecting change
• Discussion
What have we created?

Where did everyone go?
The Patient Protection and Affordable Care Act (PPACA)

- Signed into law March 2010
- Emphasis on:
  - Individual insurance market
  - Small business insurance market
- Few implications for large employer-based insurance
  - Already self-insured

Coverage in new plan

- Net 32 million more insured
- Decline of 3 million from employers
- Decline of 5 million from non-group

Source: CBO report to Congress, March 2010
Cost of reform

WHOA!

Why are we having this discussion at all?
Do we have a health care system in the US?

Levels of care

• Primary
• Secondary
• Tertiary
Primary care

• First line
• Ambulatory
• Continuous
• Comprehensive
• 80% rule

• Medical homes will save us!

Secondary care

• Community hospitals
  Mercy
Tertiary care

• Specialized care units
• Subspecialty services
• E.g., Transplants
  University Hospital

Important distinction

• Health vs health care
Determinants of health

What affects our health

• Lifestyle factors-51%
• Environmental factors-19%
• Human biology-20%
• Health care delivery-10%

Where does US invest

• Lifestyle factors-1.2%
• Environmental factors-1.8%
• Human biology-7%
• Health care delivery-90%

Social determinants of health

• Early childhood development
• Education
• Employment and working conditions
• Food security
• Health services
• Housing
• Income and income distribution
• Social exclusion
• The social safety net
• Unemployment and job insecurity

Three issues driving policy change

Three reasons for change:

• Cost
• Access
• Quality
Cost of care in the US?

What do we spend on health care per person in US

A. $500 Billion
B. $1 Trillion
C. $3 Trillion
D. $10 Trillion

Average cost-$8086/person
4 times 1990 spending
10 times 1980 spending
Cost by age (2004)

- 0-18: $5276
- 19-44: $3370
- 45-55: $5210
- 55-64: $7787
- 65-74: $10,778
- 85+: $25,691

Average cost: $5276/person

Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group.

Where do we spend our health care $
HEALTH CARE EXPENDITURES


Health Care Costs

Source: Government Accountability Office, September 2008
Health Care Costs

Average spending on health per capita ($US)

- United States
- Germany
- Canada
- France
- Australia
- United Kingdom

Total health expenditures as percent of GDP

- United States
- Germany
- Canada
- France
- Australia
- United Kingdom

*Cost estimated to be $28,500 in 2019

Note: The average worker contribution and the average employer contribution may not add to the average total premium due to rounding.

What is access to care

Access to care

Set of dimensions describing the fit between the patient and the health care system

Penchansky and Thomas, 1981
Access to care

Those dimensions which describe the potential and actual entry of a given population into the health care delivery system.

Anderson and Aday, 1978

Access to care

Access is generally assumed to imply the right of entry to the system independent of ultimate changes in health status.
Access to care

Potential access
- Characteristics of delivery system
- Characteristics of population at risk
- Wants, needs, resources of patients

Access to care

Realized access
- Utilization measures
  (# visits last year)
- Unmet need
- Patient satisfaction
Factors affecting utilization

- Income/insurance
- Education (of mother)
- Perceived need
- Health status
- Language/culture

Factors affecting utilization

- Lack of providers
- Lack of willing providers
- Lack of trained providers
- Transportation
- Comfort level with providers
Child Insurance Coverage in US, 2007

Uninsured children in Iowa

3/4 of uninsured children are eligible for Medicaid/hawk-i
- 99% of children in Iowa covered if up to 300% FPL enrolled

Uninsured children in Iowa

- 40% <133%FPL
- 38% 134-200%FPL
- 22% >200%FPL

180,000 in Medicaid, 15,000 Medicaid expansion, 20,000 hawk-i
Adult Insurance Coverage in US, 2007

Uninsured Adults-Iowa

- 9-11% of all adults
- 81% of uninsured were employed
- 5% unemployed
- 2/3 were without insurance for more than a year
- 20% for 10 years or more
- 3/4 reported in good or excellent health

Source: 2001 SPG report from CPS and IA consumer survey
Uninsured adults

- 3/4 never turned down a job with coverage
- 1/4 declined coverage from work
- Among those declining coverage, 1/3 thought they would have to pay $200 or more per month for insurance

Employer-based coverage decline

- 20% of children with private insurance in Medicaid at some point (3% in hawk-i)
Employers

Employer coverage: Iowa

• In Iowa, 54% of employers offer health insurance
• Health insurance varies by number of employees
  97% - >50 employees
  85% - 11-50 employees
  54% - 4-10 employees
  30% - 1-3 employees
• 50% of employers pay entire premium
• Uninsured employees more likely to be low wage
Impact of coverage

Impact of being uninsured

• Much less likely to have a regular source of care
• Had fewer doctor visits
• Much more likely to have an unmet need for medical care (17% vs 1%)
• Less able to get sick care
• More likely to have had an ER visit
• Less likely to have preventive visit in past year
• Most worried about paying for child’s care
Quality of care

System quality
Discussion

Future Topics

• International health comparison
• Public health
• Health insurance-public and private
• Health care reform
• Health information technology