

Date: May 20, 2011

To: City of Lubbock, Board of Health

From: Brian D. Carr, Ph.D., Member, City of Lubbock, Board of Health

Subject: Report from Subcommittee on Health Insurance and Services

Drawing on the report (2009) *Consequences of the Uninsured and Underinsured*, Chapter 3, Code Red

Texas leads the nation, at 25.1 percent, in the percentage of people who lack health insurance (U.S. Census Bureau, 2005). People who lack health insurance have reduced access to preventive care and are less likely to receive timely diagnosis of screenable conditions such as cancer and high blood pressure. Uninsured children are much less likely to have received a well-child checkup within the past year, regardless of age, race, ethnicity, income or health status. Additionally, the insurance gap in Texas is especially high among Hispanics, of whom 60 percent are without health insurance.

The uninsured are more likely to suffer adverse consequences of chronic diseases such as diabetes. More than 1.3 million Texans have been diagnosed with diabetes, and an additional 300,000 are estimated to be undiagnosed, but living with the condition. Conservative estimates rank diabetes as the sixth leading cause of death in Texas and uninsured adults with diabetes are less likely to receive recommended services. Diabetes accounts for the greatest number of new cases of end-stage renal disease.

Overall, the uninsured receive less preventive care, are diagnosed at more advanced stages of disease, and once diagnosed, receive less therapeutic care than do the insured. Thus, lack of adequate insurance leads to premature death. The case of cancer, the second leading cause of death in Texas, is illustrative of this point. Individuals who are poor, lack health insurance, or otherwise have inadequate access to quality cancer treatment experience higher cancer incidence, higher mortality rates and poorer survival rates.

The Kaiser Commission on Medicaid and the Uninsured estimated the 2004 medical cost for the uninsured nationally at \$125 billion. The cost borne by health care providers nationally is estimated to be \$41 billion or 33 percent. In Texas, most of the uninsured are legal residents; of the state's uninsured, more than 4 million (72.8 percent) are U.S. citizens.

Hospitals within hospital districts (such as the Lubbock County Hospital District) in urban counties bear most of the burden for uncompensated care in Texas. In Texas hospital, uncompensated care increased from \$3 billion in 1993 to more than \$7.7 billion in 2003. In 2003, Texas hospitals reported \$3.5 billion in bad debt and \$4.2 billion in charity care.

Unfortunately, lack of accessible effective public mental health services has caused an increase in crisis care for mental health patients. Children and adults without insurance receive little or no service, forcing them to move from crisis to crisis when immediate but not long-term needs are met. Therefore, problems are not being fully resolved, while an increasing amount of money is being spent. Texas

servers only about 12 percent of adult Texans with diagnosable mental illness and 6 percent of its children with emotional disturbance. The eliminated mental health services from CHIP benefit package have left 57,000 children without mental health coverage.

Altogether, lacking health insurance adversely affects many aspects of a person's life as well as aspects of their communities. An individual without health insurance has reduced access to care, which keeps him or her from receiving adequate check-ups and preventive care. The uninsured are more likely to have diminished quality of life and increased mortality than their insured counterparts. In addition, uninsured people who are mentally ill must rely solely on government programs to receive medications and treatments. As a result, many receive inconsistent care, leading to reduced efficiency of treatments.

The increasing uninsured population in Texas is also negatively impacting the state and local governments. Emergency rooms are overburdened with the increased admissions, and the uninsured constitute a disproportional share of these admissions. This is leading to increases in the costs of health insurance and the overall delivery of health care services. In addition, local taxes must be used, raising rates for individuals and businesses.

Without changing the current system, the problem of the uninsured will impact not only those directly involved such as hospitals and medical professionals, but also the community at large with increased taxes and reduced businesses and therefore the Texas economy as a whole.