

## THE HEALTH CARE STATUS QUO:

### Why Kentucky Needs Health Reform

Congress and the President are working to enact health care reform legislation that protects what works about health care and fixes what is broken. Kentuckians know that inaction is not an option. Sky-rocketing health care costs are hurting families, forcing businesses to cut or drop health benefits, and straining state budgets. Millions are paying more for less. Families and businesses in Kentucky deserve better.

#### KENTUCKIANS CAN'T AFFORD THE STATUS QUO

- Roughly 2.4 million people in Kentucky get health insurance on the job<sup>1</sup>, where family premiums average \$11,413, about the annual earning of a full-time minimum wage job.<sup>2</sup>
- Since 2000 alone, average family premiums have increased by 61 percent in Kentucky.<sup>3</sup>
- Household budgets are strained by high costs: 24 percent of middle-income Kentucky families spend more than 10 percent of their income on health care.<sup>4</sup>
- High costs block access to care: 17 percent of people in Kentucky report not visiting a doctor due to high costs.<sup>5</sup>
- Kentucky businesses and families shoulder a hidden health tax of roughly \$1100 per year on premiums as a direct result of subsidizing the costs of the uninsured.<sup>6</sup>

#### AFFORDABLE HEALTH COVERAGE IS INCREASINGLY OUT OF REACH IN KENTUCKY

- 15 percent of people in Kentucky are uninsured, and 63 percent of them are in families with at least one full-time worker.<sup>7</sup>
- The percent of Kentuckians with employer coverage is declining: from 65 to 58 percent between 2000 and 2007.<sup>8</sup>
- Much of the decline is among workers in small businesses. While small businesses make up 71 percent of Kentucky businesses,<sup>9</sup> only 42 percent of them offered health coverage benefits in 2006 -- down 8 percent since 2000.<sup>10</sup>
- Choice of health insurance is limited in Kentucky. WellPoint Inc. (BCBS) alone constitutes 59 percent of the health insurance market share in Kentucky, with the top two insurance providers accounting for 69 percent.<sup>11</sup>
- Choice is even more limited for people with pre-existing conditions. In Kentucky, premiums can vary, within limits, based on demographic factors and health status, and coverage can exclude pre-existing conditions or even be denied completely.

#### KENTUCKIANS NEED HIGHER QUALITY, GREATER VALUE, AND MORE PREVENTATIVE CARE

- The overall quality of care in Kentucky is rated as "Weak."<sup>12</sup>
- Preventative measures that could keep Kentuckians healthier and out of the hospital are deficient, leading to problems across the age spectrum:
  - 21 percent of children in Kentucky are obese.<sup>13</sup>
  - 22 percent of women over the age of 50 in Kentucky have not received a mammogram in the past two years.
  - 36 percent of men over the age of 50 in Kentucky have never had a colorectal cancer screening.
  - 73 percent of adults over the age of 65 in Kentucky have received a flu vaccine in the past year.<sup>14</sup>

The need for reform in Kentucky and across the country is clear. Kentucky families simply can't afford the status quo and deserve better. President Obama is committed to working with Congress to pass health reform this year that reduces costs for families, businesses and government; protects people's choice of doctors, hospitals and health plans; and assures affordable, quality health care for all Americans.

<sup>1</sup> U.S. Census Bureau, Current Population Survey. HIA-4 Health Insurance Coverage Status and Type of Coverage by State--All Persons: 1999 to 2007, 2007.

<sup>2</sup> Center for Financing, Access and Cost Trends, AHRQ, Medical Expenditure Panel Survey - Insurance Component, 2006, Table X.D. Projected 2009 premiums based on Centers for Medicare and Medicaid Services, "National Health Expenditure Data," available at <http://www.cms.hhs.gov/nationalhealthexpenddata/>.

<sup>3</sup> Center for Financing, Access and Cost Trends, AHRQ, Medical Expenditure Panel Survey - Insurance Component, 2000, Table II.D.1. Center for Financing, Access and Cost Trends, AHRQ, Medical Expenditure Panel Survey - Insurance Component, 2006, Table X.D. Projected 2009 premiums based on Centers for Medicare and Medicaid Services, "National Health Expenditure Data," available at <http://www.cms.hhs.gov/nationalhealthexpenddata/>.

<sup>4</sup> Center for Financing, Access and Cost Trends, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 2006.

<sup>5</sup> Behavioral Risk Factor Surveillance System Survey Data. Atlanta, Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, 2007.

<sup>6</sup> Furnas, B., Harbage, P. (2009). "The Cost Shift from the Uninsured." Center for American Progress.

<sup>7</sup> U.S. Census Bureau, Current Population Survey. Annual Social and Economic Supplements, March 2007 and 2008.

<sup>8</sup> U.S. Census Bureau, Current Population Survey. HIA-4 Health Insurance Coverage Status and Type of Coverage by State--All Persons: 1999 to 2007, 2007.

<sup>9</sup> Center for Financing, Access and Cost Trends, AHRQ, Medical Expenditure Panel Survey - Insurance Component, 2006, Table II.A.1a.

<sup>10</sup> Center for Financing, Access and Cost Trends, AHRQ, Medical Expenditure Panel Survey - Insurance Component, 2001, 2006, Table II.A.2.

<sup>11</sup> Health Care for America Now. (2009). "Premiums Soaring in Consolidated Health Insurance Market." Health Care for America Now.

<sup>12</sup> Agency for Health Care Research and Quality. 2007 State Snapshots. Available <http://statesnapshots.ahrq.gov/snaps07/index.jsp>.

<sup>13</sup> Child and Adolescent Health Measurement Initiative. 2007 National Survey of Children's Health, Data Resource Center for Child and Adolescent Health.

<sup>14</sup> Behavioral Risk Factor Surveillance System Survey Data. Atlanta, Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, 2007.

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