

## **NYS Partnership for Coverage**

Public Hearing – New York City, NY, October 30, 2007

New Yorker Hotel

Testimony of Georganne Chapin, President & CEO

Hudson Health Plan and the Hudson Center for Health Equity & Quality

We commend the Governor for taking the lead in addressing health care reform at the State level. We'd like to say up-front that we believe State-based solutions will never fully address the reforms necessary to fix our broken system. We couldn't point to a more unfortunate illustration of this than the federal torpedoing of New York's efforts to expand our Child Health Program. Nonetheless, we believe that State-based reform will contribute to the growing momentum for national reform.

I would like to confine my remarks here to two areas.

First, I would like to draw the distinction between health insurance coverage, and health care. I am afraid that at both the state and the national levels, the focus on mandating health insurance coverage has largely obscured what should be our main goal: that is, health care for all.

Equally important is the need for simplification and streamlining throughout the health care system – from eligibility and enrollment, to providing care, to finance, to systems for tracking and improving quality.

To the first point: the distinction between health insurance and health care.

There was a time when private insurance was once pretty much just for covering extensive or catastrophic medical costs. When you had a sore throat, or your child needed his immunizations, you made an appointment and you went to the doctor. Today, this kind of routine monitoring and treatment is just a part of, but by no means all, of what we really mean by health care; the kind of health care we all want and need – comprehensive, coordinated, evidence-based, preventive, and continuous. It is most emphatically NOT what President Bush implies when he calls a visit to the emergency room “health care.”

And so we currently find ourselves in a situation where not having insurance means – for the vast majority of Americans in this situation – **no** access to health care. This has been driven by at least three interrelated factors. These are (1) the proliferation of medical technology and the seemingly never-ending expansion of desired or required services; (2) the expectation that all services – from flu shots to hip replacements – are a part of our consumer-driven economy (but should be paid for by a third party, either HMOs or a fee-for-service plan); and (3) skyrocketing costs well in excess of other cost of living indicators.

Promoters of certain kinds of plans seem to think that we can restore some version of the old pay-as-you-go model. These consumer-driven health plans and health savings accounts are being sold under the premise that individuals can shop wisely for their health care and in the process drive quality up while driving prices down. I submit that while we want informed patients, the model of the educated, cost-conscious consumer is more appropriate for buying a TV than for health care.

Specifically, a growing body of evidence shows that people will forego basic, necessary services if their costs compete with things such as food and shelter. You can get by with last year's picture quality, but this may be the year when the mammography or colonoscopy would show a problem. Tax deductible savings are meaningless to the lower-income and middle-income families whose finances are already under siege.

In addition, care is growing both more extensive and more expensive. The number of required pediatric vaccines is now over a dozen, recommended health screening procedures are increasing, and chronic diseases such as diabetes and asthma are also on the rise.

This is health care. It is in no one's interest to encourage behavior that puts it off until people have no choice but to visit emergency rooms, not from the point of view of individual health, public health, money, or ethics.

To the second point of system simplification:

One of main reasons that the United States spends more and gets less than other modern democracies is a system of mind-boggling complexity and fragmentation. Hundreds of companies offer thousands of policies and benefit packages. In an average medical practice, there are more clerical and administrative personnel than doctors and nurses. All over America, the first order of business at a hospital, doctor's office, or clinic is for administrative personnel to try to figure out who is responsible for paying your bills and which services are covered.

Matters are further complicated by the fact that insurance is temporary. Private policies require renewal. Failure to renew means losing coverage. Except for Medicare, eligibility in government-sponsored insurance programs is typically for a year or less. Annual recertification is only slightly less onerous than the initial eligibility determination. Thus, in the US about a third of non-elderly adults are uninsured during any two-year period.

What happens to them if they fall ill when they fall through these cracks? We are not arguing over a dinner check here. Lives, personal productivity, the ability to parent or go to school hang in the balance, while insurance companies and health care providers play pass the paperwork.

None of the New York proposals for expanding coverage actually address either the proliferating coverage options, or churning eligibility. Instead, they propose additional

programs. One new layer of bureaucracy would serve to link individuals to more health insurance programs. A legal requirement to purchase insurance would require new tracking and enforcement mechanisms. What happens if we miss a payment? Will the Sheriff make house calls, or will we just be turned away from the hospital?

It doesn't have to be like this. Questions of coverage, eligibility, and providing care don't always have to default to the negative. Rather than building an ever-more-complex system that sifts people into and out of various programs, we can simply create and fund a system that is available to all. Every New Yorker should have a medical home, with continuous coverage, for a well-defined set of covered services, so that every practitioner or institution can know that reimbursement is a certainty, not a gamble.

Until we get there, streamlined enrollment, continuous eligibility, and consistent and appropriate services will allow us to further the dream of improving the health care and health status of all New Yorkers. This, along with reducing unnecessary and duplicative services, increasing compliance with primary and preventive care treatment regimens, and establishing useful and interoperable medical information systems, will move us further toward equitable access to the health care we all deserve.

Thank you.