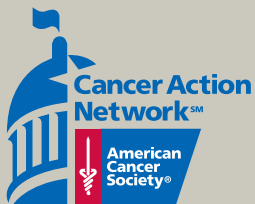




*Protecting Patients:
The Personal Responsibility
Coverage Requirement*



Protecting Patients: The Personal Responsibility Coverage Requirement

*Health care
is unlike any
other consumer
good or service
because we often
literally cannot
live without it.*

More than a dozen lawsuits have been filed in federal courts challenging the constitutionality of the health care reform law, the Patient Protection and Affordable Care Act (ACA), on the basis that Congress does not have the authority to require individuals to purchase minimum health insurance coverage. While the legality of the minimum coverage requirement will ultimately be decided by the courts, the American Cancer Society Cancer Action Network, the American Diabetes Association, and the American Heart Association support this requirement because it is central to providing the other insurance protections that patients with cancer, diabetes, heart disease, and stroke desperately need.

Those with these chronic and often deadly diseases are particularly susceptible to discrimination when trying to obtain health insurance in the open market. They are either denied coverage altogether because of their pre-existing conditions, or are charged such exorbitant premiums that they cannot afford quality insurance, or must settle for plans that offer inadequate coverage or stipulate caps on annual and lifetime benefits.

The good news is that, when fully implemented in January 2014, the Affordable Care Act corrects these glaring failures in the health insurance market that have left millions of Americans with cancer, diabetes, cardiovascular disease and stroke without health insurance and facing staggering bills and unable to obtain the health care they desperately needed to survive.

Eliminating the minimum coverage requirement would mean that healthy individuals could wait until they became sick to buy coverage because they could no longer be denied coverage or charged higher premiums. This is akin to purchasing homeowners insurance only after the house catches fire. The result would be that health insurance would become prohibitively more expensive for those Americans who do buy coverage and for those — such as our patients with cancer, diabetes, heart disease, or stroke — who need insurance the most. The stakes are too high for our patients to allow this to happen. This report seeks to further explain why the minimum coverage requirement is important to patients — and indeed to all of us who may one day be patients — and should be maintained.



The Grim Statistics

- One out of two men and one out of three women will develop some sort of cancer in his or her lifetime.
- One in three Americans and one in two African-Americans and Hispanics born in 2000 will develop diabetes in their lifetime.
- More than one in three American adults has one or more types of cardiovascular disease.

These statistics demonstrate the strong likelihood that most people will at some point need health care and participate in the health care marketplace. Without a better and more equitably organized health insurance market, in which all Americans participate in the insurance market in exchange for the peace of mind of guaranteed, affordable coverage, the current barriers to care will not be overcome and patients and their families will continue to bear the heavy burden of substantial costs and worse health care outcomes.



Falling through the Cracks: Uninsured or Underinsured

The Affordable Care Act includes premium and cost-sharing assistance and insurance reforms that, in combination with the ban on pre-existing condition exclusions and the prohibition of discriminatory pricing based on health status, will improve the affordability and adequacy of health insurance coverage. Without these changes, patients with cancer, diabetes, heart disease, and stroke will continue to face formidable challenges obtaining adequate, affordable insurance.

One out of three people diagnosed with cancer under the age of 65 is uninsured or has been uninsured at some point since diagnosis. Of those cancer patients who reported being uninsured, 75 percent attributed their lack of health insurance to affordability or pre-existing condition exclusions.

Approximately 15 percent of adults who report having cardiovascular disease are

uninsured, and more than half of the uninsured cite cost as the reason they lack coverage. Additionally, between 10 and 22 percent of adults with congenital heart disease are uninsured and 67 percent have reported difficulty in obtaining health insurance, or changing jobs to guarantee coverage.

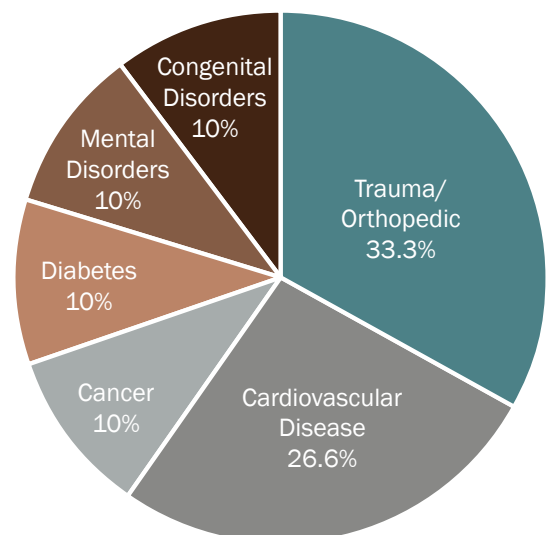
Similarly, many individuals with diabetes report being unable to obtain any individual health insurance because of their condition, or being offered policies that are significantly more expensive.

Underinsurance is also a tremendous problem. Nearly one in three cancer patients who have insurance report out-of-pocket health care expenses that exceed 10 percent of family income. Almost four-in-ten households that include an individual with diabetes have health care costs totaling 10 percent or more of household income.

Going Broke: The High Costs of Getting Sick

Without adequate health insurance, the costs of treating cancer, diabetes, heart disease and stroke can be beyond the reach of all but the wealthiest individuals. However, even insured patients can face staggering expenses. For example, five percent of privately-insured breast cancer patients had total out-of-pocket expenses that exceeded \$31,000. The high cost of treating cardiovascular disease is also a leading cause of medical bankruptcy. Those with stroke had average out-of-pocket medical costs of over \$23,000 and those with heart disease had average medical costs approaching \$22,000.

Reasons for Medical Bankruptcies



Source: Health Affairs Web Exclusive

The Result: Worse Health Outcomes

Individuals without health insurance are less likely to receive preventive treatment or early detection and are more likely to delay treatment. The statistics tell an alarming story of missed opportunities, higher costs of treatment, worse outcomes and higher death rates.

A 2010 American Cancer Society Cancer Action Network poll of individuals under the age of 65 who have cancer or a history of cancer found that over the past 12 months, 34 percent delayed care because of the cost.

An American Heart Association survey found that more than half of cardiovascular patients had difficulty paying for medical care. Of this group, 46 percent had delayed getting needed medical care; 43 percent had not filled a prescription; and 31 percent had delayed a screening test. Shockingly, studies have shown that uninsured patients are more likely to delay seeking care even while experiencing a heart attack.

The same pattern occurs among uninsured individuals with diabetes. Among those persons 18 to 64 years old with diabetes mellitus, those without health insurance during the previous year were six times more likely to forgo needed medical care than their insured counterparts.

Detection is also compromised. Among those with diabetes, more than 42 percent of those without health insurance were undiagnosed compared with 26 percent of those with insurance. The result: worst health outcomes, including blindness, amputation, heart disease, kidney failure — and death.

This applies to cancer and heart diseases, too. Uninsured patients have substantially higher risks of being diagnosed with advanced stage breast cancer than those with insurance. Cancer patients diagnosed at an advanced stage experience lower survival rates, and more debilitating, invasive and long-term treatment.

Likewise, uninsured patients with cardiovascular disease experience higher mortality rates and poorer blood pressure control than their insured counterparts. Uninsured stroke patients have greater neurological impairments, longer hospital stays and up to a 56 percent higher risk of death.

“After cancer you may as well kiss your way of life and your family’s way of life goodbye, because no one wants to talk to you about getting comprehensive, affordable coverage.”

*- a 10-year prostate cancer survivor routinely denied health insurance,
Spending to Survive: Cancer Patients Confront
Holes in the Health Care System,*



The High Cost of Being Uninsured

Delayed getting
needed health care

46%

Had not filled
a prescription

43%

Delayed a routine
check-up

42%

Delayed a
recommended test
or treatment

28%

Source: American Heart Association Patient
Survey, 2010

Cost-Shifting: An Unsustainable Trend

The costs of providing health care to uninsured or underinsured individuals are often shifted to insured patients or government health programs. To provide uncompensated care to these patients, health care providers often pass the costs onto other participants in the health insurance market, helping to drive up insurance premiums to today's astronomical heights.

Congress found that the cost of providing uncompensated care to the uninsured was \$43 billion in 2008. These costs are shifted to those who do have coverage, to employers who provide coverage to their workers, and to taxpayers. In fact, a hidden tax adds \$1,000 to the cost of the average family's health insurance policy due to uncompensated care.



The Affordable Care Act: *A Carefully Woven Fabric*

By ensuring that affordable health insurance is available to all individuals regardless of prior medical history and health status, the Affordable Care Act protects the health, safety, and financial stability of patients with chronic conditions. Otherwise cancer, diabetes, heart disease and stroke patients will continue to be plagued by the serious financial and health consequences associated with the lack of adequate health coverage

If you tug and pull out the minimum coverage thread, the entire Act unravels and could result in the ultimate collapse of the health insurance industry.

However, these bans on discrimination must be coupled with ACA's minimum coverage provision if we are to achieve the patient protections, cost reductions, elimination of inequitable cost-shifting, and improvements to health insurance Congress intended.

Think of the ACA as a carefully woven fabric. If you tug and pull out the minimum coverage thread, the entire Act unravels and would again leave people with cancer, diabetes, heart disease, and stroke unprotected.

Call it human nature, but many healthy individuals would wait to purchase health insurance until they actually needed care. Because of the Affordable Care Act, they could do so without the worry they would be denied coverage altogether, or would be priced out of the market.

However, under such a scenario, insurance pools would be populated by individuals who are already ill and seeking care. This would then drive the cost of coverage to unsustainable levels, creating a death spiral in the industry as fewer and fewer healthy people choose or are able to buy very expensive coverage before they become ill. The minimum coverage provision is crucial to realizing the insurance protections promised to Americans in the ACA.



Don't Retreat:

We Must Have the Minimum Coverage Provision

Most would agree that two of the most important features of the Affordable Care Act are the ban on denying health insurance coverage due to a pre-existing condition and the prohibition on using a person's health status in determining health insurance premium rates. They provide protections to patients and reduce costs by improving the availability, affordability and quality of health insurance.

However, these two central provisions must be combined with the minimum coverage provision to mitigate the problematic cost-shifting that occurs in the health care market and ensure that everyone shares in the financing of health care.

Only through the minimum coverage provision will adverse selection (the separation of healthier and less healthy people into different insurance arrangements) be minimized and costs spread more broadly across current and potential participants in the health care market, thereby reducing the overall cost of health insurance.

A Call to Action

The minimum coverage provision is absolutely essential to the successful implementation of the ban against denying coverage based on a pre-existing condition and the elimination of price discrimination based on health status.

It allows the health insurance market to be restructured around competition based on price, quality and value instead of the broken system that prevailed prior to the enactment of the Affordable Care Act. To eliminate it is not only reckless and a grave mistake, but wrong for the health of our nation and its people. We call on Congress to oppose efforts to repeal the Affordable Care Act or the minimum coverage provision and instead focus on efforts to implement the law and continue to work to improve the health care system.

To learn more or to view references for this report, visit:

www.heartsforhealthcare.org
www.acscan.org/healthcare
www.diabetes.org/healthreform

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