



Across Missouri and throughout the country, the majority of people say the health care system is broken. Many hope that 2009 is the year for health reform because the President and Congress have pledged to make changes to our current health care system. As legislators in Washington debate ideas and concepts, Cover Missouri is providing this guide to explain some of the terms being used and to answer some frequently asked questions.

Why is health care reform important?

The simple answer is that health care costs are increasing for everyone. The cost of health coverage is increasing at a much faster rate than the average income. Since 2000, insurance premiums have increased 5% to 14% each year, while wages have only increased 2% to 4% each year. Additionally, many businesses are struggling to provide health coverage for their employees. Premiums for employer-sponsored family coverage have risen 100% since 2000. When a business chooses not to provide health insurance, the options for its employees are limited to purchasing coverage on their own at significant cost or giving up health coverage altogether.

What does comprehensive health reform mean to me?

Surveys show that Americans want the guarantee of quality, affordable health care. Our current health care system leaves many without timely and appropriate care (uninsured) and others living in fear of major health care costs (underinsured). The concept of guaranteed, affordable choice means that if you (the consumer) have insurance you like, you can keep it. But if you need something better, or if you lose your job, you have other affordable options. What do you want your health care system to look like? What are the important elements to you? Think about your own needs and decide for yourself.

How will we pay for reform?

In the current health system, Americans pay more for their health care than citizens of any other industrialized nation but millions of citizens still lack access to quality, affordable health care. By covering everyone, health care costs would no longer be shifted from the uninsured to the insured. Revamping the health care system could contain costs through investment in the prevention and management of chronic conditions (which would reduce emergency room visits), and through the adoption of effective, cost-saving treatments.

Health reform is a long-term investment. We will have to pay now to save money further down the line. The costs will become clearer when legislation is introduced, and it may take awhile to see savings. Several payment options have been proposed and you can read about them, along with the latest health reform news, by visiting www.covermissouri.org.

Who are the uninsured?

Most Americans who lack health insurance are from working families with low incomes. About two-thirds of the uninsured live in poverty or close to poverty and are less likely to be offered employer-sponsored coverage or to be able to afford to buy their own coverage. The federal government estimates that 46 million Americans, including 729,000 Missourians, do not have health insurance.

How can someone be underinsured?

With so much of the focus on the uninsured, the issue of underinsurance often gets overlooked. An estimated 25 million adults in the United States are underinsured. The underinsured can be defined as individuals or families with deductibles of 5% or more of their income, or who spend 10% or more of their earnings on out-of-pocket medical expenses (or 5% if they are low-income). Many of the underinsured go into debt because the out-of-pocket costs for medical treatment are so high. In 2005, more than 29 million people with insurance had some medical debt.

What is meant by a single-payer system?

A single-payer health care system is one in which the medical costs of the citizens of a nation are financed by a single fund, usually the federal government. Single-payer does not mean that the government delivers health care services. In such systems, doctors and hospitals—both private and public—are paid through a single public fund, similar to the way Medicare pays for health care.

What is meant by a public option?

A public option would create a government-financed insurance option to compete with the various private insurance plans. Currently, there are many public plans in place: Medicare, Medicaid, the Federal Employees Health Benefits Program, etc. A public option is not the same as a single-payer system because those with private insurance would have the choice to keep their plans.

What does the term “socialized medicine” mean?

“Socialized medicine” refers to health care systems in which a government operates health care facilities and directly employs health care professionals. Since the demise of the Soviet Union, no country has maintained a health care system where both the financing and delivery systems are completely in the hands of a central government. However, there are many examples of governments that finance health care costs but do not control the delivery of care (see single-payer system question).

Will individuals be forced to purchase insurance?

While the details of the possible reform packages differ, many argue that the only way to cover all Americans is to make everyone buy a policy. Requiring individuals to have insurance, commonly called an “individual mandate,” could lower health care costs. To be successful, an individual mandate would include assistance to low-income people and protections for those with pre-existing conditions. This could be accomplished by the government subsidizing (i.e., helping to pay for) the cost and insurance companies covering everyone regardless of pre-existing condition.

What is an employer mandate?

An employer mandate is a government requirement that businesses provide insurance for their employees. There are several variations being discussed, including exemptions for small businesses (because they may have difficulty purchasing coverage for employees) and penalty fees for businesses that do not offer coverage.

As health care reform moves forward, ideas and concerns from all parts of the country must be heard. You can get involved by sharing your health care experiences with policymakers, talking with friends and neighbors about fixing the health system, and staying informed. Learn more about health care in Missouri and reform options by visiting www.covermissouri.org, where you can sign up to receive bulletins with the latest health coverage news.

Cover Missouri is a project of the Missouri Foundation for Health to develop, publish and promote policy recommendations to ensure quality, affordable health coverage for every Missourian.

Learn more at www.covermissouri.org