

## GUEST COMMENTARIES

## Health insurance contains unseen costs

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Got coverage? If you have private health insurance, chances are you're pretty happy with it, according to a survey by the National Business Group on Health. This research found that 80 percent of Americans would rather take a cut in pay or retirement benefits than a cut in their health coverage. Problem is, that insurance might actually send you to the poor house.

Having private health insurance gives many of us a warm sense of security. Unfortunately, that security may only hold out as long as our health does. Health insurance, it turns out, works great for routine and preventive care - both of which are very important. But get sick - really sick - and chances are high that you'll end up with more debt than if you had no insurance at all.

How can this be? An eye-opening report published in the journal *Health Affairs* tracked the out-of-pocket medical expenses that led to bank-

ruptcy filings in 2001. The filers' median income was \$24,500 for an average family size of 2.75.

If this median family had Medicaid or Medicare, the medical bills that forced them into bankruptcy were just over \$8,000. If they were completely uninsured, they paid out almost \$11,000 in medical bills. That's a lot of money in either case. But if they actually had insurance, they shelled out no less than \$13,000 - more than half their annual income - in medical bills that were not paid by their insurance company.

Still think the current debate on guaranteed, universal health care doesn't affect you because you have insurance? Consider this: half of all bankruptcy filings are caused by medical bills, according to Physicians for a National Health Program (PNHP). And three-quarters of those filers had insurance at the onset of their illness or injury.

This is not to say that you're better off being uninsured. Far from it. The uninsured get sicker and die younger. Because they rarely can afford

### *Our health care system is broken, even for the insured*

routine and preventive care, the uninsured must wait until their illnesses are life-threatening so the hospital's emergency room won't turn them away.

This unhealthy paradox is better understood when we look at who really pays for health care and health insurance. First, 75 percent of all health care is paid for with tax dollars, via Medicaid, Medicare, the State Children's Health Insurance Program, the Veterans Administration, the Federal Employees Health Benefits program and the like. Who really picks up the tab? We, the taxpayers, do.

So who pays for taking care of the uninsured when they arrive in desperate need at the local ER? Municipal indigent care funds (footed by we, the taxpayers, again) cover some of it. The health care industry says it "absorbs" the rest, which means the costs are passed along, by way of higher premiums, to those of us who

have health insurance.

So, if you're insured, you pay any out-of-pocket expenses. If you're not insured, you pay some out-of-pocket expenses and the insured pay most of the rest.

That's particularly problematic here in New Mexico where we have the second highest percentage of uninsured residents in the nation (only Texas is worse). In 2005, New Mexico's insurance premiums saw the highest increase in the country due to the cost of care for the uninsured.

Estimates by Families USA show that in 2010 families in most of the country will be paying, on average, \$1,502 more for the same insurance policies they have today. The increase will be due entirely to pay for treating the uninsured. Because of our high rate of uninsured, New Mexico's families will be paying the highest premium increase in the country in 2010 - \$3,169.

You may not think premi-

um increases are a cause for concern if your employer foots the bill for your health insurance, but you'd be wrong. Even if your employer "pays" for your insurance, it ultimately comes out of your (and everyone's) pocket - either as lower wages and fewer other benefits, or more expensive goods and services. The exponential rise in insurance premiums over the past several years has caused more and more companies to discontinue their employees' health insurance benefits, or have those employees pick up more and more of the tab.

The bottom line is that America has the most expensive health care system and, according to PNHP, we pay the highest health care taxes in the world for it. In essence, we're already paying for a national health system - we're just not getting one. PNHP hangs part of the problem on the fact that nearly one-third

of the cost of health care is spent on non-health-related activities - such as billing and administration. Our health care system is broken - both for people who have insurance and those who don't.

The health care crisis has been a hot political topic of late, both in Washington and here at home. We will all have ample opportunity to voice our opinions in the coming months as our state lawmakers examine various ways of providing health care for all New Mexicans.

We need to engage in the debate. We need to tell our policymakers that we want real reform - we want everyone covered, we want serious cost containment measures, and we want the financing system to be fair and equitable.

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