

## I. MESSAGE

## II. BACKGROUND

The American Association of University Women (AAUW) believes that everyone is entitled to health care that is high-quality, affordable, and easily accessible. This position stems from AAUW's 2009-2011 Public Policy Program, which advocates: "increased access to quality affordable health care."<sup>1</sup>

There is no shortage of proposals regarding how health care reform should be achieved. For AAUW, the top priority is not the system itself which ultimately emerges, but rather the end result of reform that succeeds at providing access to quality and affordable health care for all Americans. While this is a priority in any circumstance, it is especially important during economic downturns, as health care security is intrinsically tied to economic security. This relationship is particularly true for women, who earn less than men on average and are therefore less able to afford insurance or care. AAUW acknowledges that there are immense challenges involved in achieving meaningful health care reform, but is equally aware that failure to do so is simply not an option.

### **The Current System**

Currently, 45.7 million Americans are uninsured, over 15 percent of the nation.<sup>2</sup> In addition, another 25 million Americans ages 19-64 were underinsured in 2007. This is a 60 percent increase in the number of uninsured since 2003.<sup>3</sup> Middle-class families are by far the fastest growing segment among the ranks of the uninsured, reflecting cost increases that have far exceeded wage increases in recent years.<sup>4</sup> In fact, the average cost of health insurance for an American family now exceeds the yearly income of a minimum wage worker.<sup>5</sup> In 2008, annual insurance premiums averaged \$4,074 for individuals and \$12,680 for families.<sup>6</sup> Overall, nearly one-quarter of all Americans have problems paying their medical bills, and millions go bankrupt every year due to medical costs.<sup>7</sup>

This unfortunate situation is a devastating reality for too many families. According to the Commonwealth Fund, 72 million adults had trouble paying medical bills or were paying off medical debt in 2007, up from 58 million in 2005; 39 percent said they had exhausted their savings paying for health care.<sup>8</sup> The crisis will only deepen during this period of economic recession and rising unemployment. A study shows that the cost of buying health insurance coverage through a former employer, known as COBRA, consumes 30 to 84 percent of standard unemployment benefits.<sup>9</sup> Under COBRA, which passed nearly 25 years ago to enable unemployed Americans to extend employer-based health insurance for up to 18 months, an individual must pay 102 percent of the policy's full cost; an enormous burden that, practically speaking, is simply unaffordable for most Americans.<sup>10</sup>

In 2006, the U.S. spent \$2.1 trillion on health care. This amount has been increasing at an annual rate of 6.7 percent, which outpaces inflation and the growth in national income.<sup>11</sup> Despite the massive spending, health care in the United States lags behind

many other western nations in a variety of areas. According to a 2007 study, compared with five other nations (Australia, Canada, Germany, New Zealand, and the United Kingdom), the U.S. health care system ranks last or next-to-last on five different dimensions of a high-performance health system: quality, access, efficiency, equity, and healthy lives.<sup>12</sup> The situation is bleak on specific health indicators as well: the U.S. has the worst mortality rate for treatable diseases when compared to 18 other industrialized countries. Further, it ranks second-to-last among 21 developed countries for child well-being as measured by infant mortality, low-birth-weight infants, and immunizations.<sup>13</sup> In addition, a 2008 study by the Commonwealth Fund found that compared with seven other western nations, U.S. patients are at particularly high risk of forgoing care because of costs and experiencing errors or inefficient, poorly organized care.<sup>14</sup>

### **Healthier Americans = Healthier Economy**

According to the Centers for Disease Control and Prevention, 133 million Americans were living with at least one chronic disease in 2005.<sup>15</sup> Such diseases—many of which are preventable, treatable, and curable—nevertheless account for 70 percent of all deaths in the United States.<sup>16</sup> Chronic diseases including heart disease, diabetes, and arthritis cost upwards of \$1 trillion annually.<sup>17</sup> The cost of treating these conditions and diseases goes beyond the individual patient, and even the collective health care system. They have a brutal impact on the nation's economy. In 2005, the Commonwealth Fund issued a report detailing the health and productivity among U.S. workers. The report's conclusions, based on data collected from 2003, are staggering.

In 2003, an estimated 18 million adults were not working due to health reasons, including chronic disease. Among American workers close to 70 million reported missing days due to illness. This added up to a total of 407 million lost work days. When all was said and done, the labor time lost due to health conditions represented \$260 billion in lost economic output per year.<sup>18</sup>

Health care reform is vitally necessary not only to improve the wellbeing of all Americans but also to ensure continued economic stability and growth. When we are healthy we are more productive and more successful. This requires a holistic approach to reform, ensuring increased availability, access and affordability.

### **Why It Matters to Women**

While all Americans are in need of and would benefit from meaningful health care reform, the issue has particular resonance for woman. According to the Department of Labor, women make approximately 80 percent of all family health care decisions, and about 60 percent of women report that they assume primary responsibility for decisions regarding family health insurance plans.<sup>19</sup> The fact that women do assume the primary caretaker role in the majority of families is reflected further in public opinion surveys where 79 percent of all women believe health care reform should be a top priority for Congress and the administration.<sup>20</sup> Moreover, nearly two-thirds believe that the most important health issues facing American women today are access to quality, affordable health care and fixing the number of women who are uninsured.<sup>21</sup>

Further, when it comes to their own healthcare, women face a unique set of challenges. Women earn around 77 cents for every dollar men earn,<sup>22</sup> but women also use more health care services than men do.<sup>23</sup> As a result of these two factors—less income, more costs—women face a high level of health care insecurity. These factors all add up to too many women with unpaid medical bills and long-lasting debt problems as a result of health care services.<sup>24</sup> This has stark consequences. In 2004, one in six privately insured women reported she postponed or went without needed care because she couldn't afford it, up from 2001.<sup>25</sup>

Such economic conditions become increasingly problematic over time. Not only are women less able to afford insurance or care because of life-long wage disparities, they face unstable coverage when subject to their spouses' plans, higher premiums in the individual market, a lack of access based on more prevalent preexisting conditions, and higher out of pocket costs than men.<sup>26</sup> Rather than being able to receive comfortable access and receive quality health care, women are vulnerable to gaps in coverage and too many holes in the system.

### **AAUW Priorities in Health Reform Legislation**

The 111th Congress has already seen a number of legislative proposals that would comprehensively reform America's health care system. This is an issue whose time has come; 70 percent of Americans overwhelmingly support the broad outlines of health reform.<sup>27</sup> Bills have been introduced in both the House and Senate, and President Obama has called for comprehensive health reform legislation to reach his desk in 2009.<sup>28</sup> As debate in Congress picks up steam, AAUW believes that the following key priorities must be contained in the final legislation:

- **End the practice of “gender rating”:** Gender rating is the process by which insurance companies charge men and women different premiums for individually-purchased health care plans. More than 60 percent of Americans believe that the practice of should be banned.<sup>29</sup> According to a 2008 report by the National Women's Law Center, women of various ages are often charged more than men even when purchasing identical health care plans. Their study concluded that at age 25, women were charged anywhere from six percent to 45 percent more than men for individual market plans; at age 45, women's monthly premiums ranged from four percent to 48 percent higher than men's monthly premiums.<sup>30</sup> In a May 2009 hearing before the Senate Finance Committee, Karen M. Ignagni, president of America's Health Insurance Plans, made an offer on behalf of the trade group to voluntarily end this practice.<sup>31</sup> This good-faith gesture notwithstanding, AAUW believes that final health reform legislation should include a statutory ban on this discriminatory practice.
- **Require coverage of women's reproductive health services:** AAUW's 2009-2011 Public Policy Program advocates, “choice in the determination of one's reproductive life...increased access to health care and family planning services including expansion of patients' rights.”<sup>32</sup> AAUW has long believed that politicians should not insert themselves into the decision-making process when it

comes to reproductive health care, which is a basic element of women's health care overall. As a result, AAUW firmly believes that health care reform legislation should require coverage of women's reproductive health services. This conviction is shared by more than 70 percent of Americans; in fact, nearly two-thirds of Americans would *oppose* the health care reform plan were reproductive health services *not* included.<sup>33</sup>

- **Ensure access to and coverage of preventive services and care:** According to the Centers for Disease Control and Prevention, the two leading causes of death for women in America are heart disease and cancer<sup>34</sup> – afflictions that can often be prevented if women have access to preventive care services such as screenings, immunizations, and educational material. Meaningful health care reform must go beyond treatment of existing diseases; Congress must devote substantial resources to promoting prevention and wellness as well. This will not only improve women's physical health, but also reduce the financial strain on our health care system and improve the overall economy as a result.

### III. TALKING POINTS

- Health care is intrinsically tied to economic security; this is particularly true for women, who earn less than men on average and use more health care services than men do. These two factors—less income, more costs—mean women face a high level of health care insecurity. Health care reform is necessary now more than ever, and it must focus on the need for access and affordability—in a way that is equitable to women.

### IV. STATUS

### V. TARGETS

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<sup>1</sup> American Association of University Women. (June 2009). *2009-11 AAUW Public Policy Program*. Retrieved July 9, 2009, from [http://www.aauw.org/advocacy/issue\\_advocacy/principles\\_priorities.cfm](http://www.aauw.org/advocacy/issue_advocacy/principles_priorities.cfm).

<sup>2</sup> U.S. Census Bureau. (August 2008). *Income, Poverty, and Health Insurance Coverage in the United States, 2007*. Retrieved December 3, 2008, from <http://www.census.gov/prod/2008pubs/p60-235.pdf>.

<sup>3</sup> Schoen, Cathy, et al. (2008). *How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007*. Retrieved December 3, 2008, from

[http://www.commonwealthfund.org/publications/publications\\_show.htm?doc\\_id=688615](http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=688615). "Underinsured" is defined by the authors as those who "experienced at least one of three indicators of financial exposure relative to income: (1) out-of-pocket medical expenses for care amounted to 10 percent of income or more; (2) among low-income adults (below 200 percent of the federal poverty level), medical expenses amounted to at least 5 percent of income; or (3) deductibles equaled or exceeded 5 percent of income."

<sup>4</sup> Divided We Fail. (2008). *Affordable Healthcare Platform*. Retrieved December 3, 2008, from [http://www.aarp.org/issues/dividedwefail/about\\_issues/divided\\_we\\_fail\\_platform\\_affordable\\_health\\_care.html](http://www.aarp.org/issues/dividedwefail/about_issues/divided_we_fail_platform_affordable_health_care.html).

<sup>5</sup> Ibid.

<sup>6</sup> Kaiser/HRET. *2008 Employer Health Benefits Survey, 2008*.

<sup>7</sup> Divided We Fail. (2008). *Affordable Healthcare Platform*. Retrieved December 3, 2008, from [http://www.aarp.org/issues/dividedwefail/about\\_issues/divided\\_we\\_fail\\_platform\\_affordable\\_health\\_care.html](http://www.aarp.org/issues/dividedwefail/about_issues/divided_we_fail_platform_affordable_health_care.html).

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- <sup>10</sup> Under the American Recovery and Reinvestment Act enacted in February 2009, up to 65 percent of COBRA costs are subsidized for those recently unemployed, a benefit that may last until the end of 2009. This assistance, while helpful, is only temporary and the recession continues to see job losses accrue.
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- <sup>16</sup> Ibid.
- <sup>17</sup> Ibid.
- <sup>18</sup> The Commonwealth Fund. Issue Brief: *Health and Productivity among U.S. Workers*. Retrieved December 5, 2008, from [http://www.commonwealthfund.org/usr\\_doc/856\\_Davis\\_hlt\\_productivity\\_USworkers.pdf?section=4039](http://www.commonwealthfund.org/usr_doc/856_Davis_hlt_productivity_USworkers.pdf?section=4039).
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- <sup>22</sup> U.S. Census Bureau and the Bureau of Labor Statistics. (September 2009). Annual Demographic Survey. Retrieved September 18, 2009, from <http://www.census.gov/hhes/www/poverty/poverty08.html>.
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