

PREPARED TEXT

“Health Care in America: Who Do We Really Care About?”

**Presented to
The Dominican Friars Health Care Ministry of New York
Of
Saint Catherine of Siena Church and Priory**

**Third Annual Lecture in Catholic Health Care Ethics
October 20, 2008**

**Sr. Carol Keehan, DC
President and Chief Executive Officer
Catholic Health Association of the United States**

Catholic social teaching has always been a leader in advocating for the common good. If ever there was a time our country needs to stand up for the common good, it is now.

Many of our lawmakers said they voted for the bailout bill, not because they wanted to help Wall Street, but because the common good on Main Street demanded it.

Today, more than ever, the common good demands that we find a way to get health reform worthy of the American people. Indeed, we will not resolve the economic crisis in our nation unless we do. We can continue to do bailouts, bridge loans, interest cuts and other prop ups, but we will not have a renewed and vibrant economy without enacting health reform that covers everyone with a reasonable, basic package.

The evidence abounds that the uninsured and underinsured are not the only ones who suffer from our antiquated and counter-productive system of health care financing. And so as we ask the title question of this talk “Who Do We Really Care About,” I can tell you it doesn’t matter whether your priority is the stock market or the poor or anywhere in-between. We need effective and efficient health reform to help all of us. It is in everyone’s self-interest to demand our leaders do this well and soon.

It is not often that doing the most ethical and caring thing is also in each of our self-interests. And it is sad that it has taken this to reignite the national discussion on health reform. The suffering of the 47 million uninsured and the tens of millions of underinsureds should have brought us to demand action much sooner. The not insignificant consequences of this situation, including the documented 18,000 unnecessary deaths annually, should have moved us long ago to demand effective resolution of this issue.

Knowing that we have 9 million children in this country without health insurance, and consequently without access to health services, should keep us up at night. What child doesn’t deserve

health care? What could possibly justify not giving a child health care? This situation is utterly incompatible with our pro-life agenda.

As a country, we have bought into so many misconceptions that have crippled our will and creativity for solving this problem. We firmly believe that we still have the best health care system in the world, despite massive evidence on a clinical and effectiveness basis, not to mention cost, that we are lagging behind all of the major industrial countries and some other much smaller and less affluent countries.

We rail against government-run health care and socialized medicine that will destroy American life as we know it. Yet, the most popular and generous health plan in the United States is Medicare, run by the government and having an administrative cost that is half that of commercially run health insurance plans.

We still labor under the perception that the uninsured are largely the unemployed, often too lazy to get a job, when the data shows that over 80 percent are in households where someone is working one or two jobs. In fact, the National Federation of Independent Business, who represent small business owners, claims their employees account for 28 million of the 47 million uninsured. Small business is the backbone of the United States' economy. And, if they cannot afford insurance for their employees, what does that say about the state of our economy?

One truth that is becoming clearer to more and more people in this country is the suffering caused to millions every day because of our national failure to resolve this situation. We will not resolve it until the American people demand it of our leaders.

The health of individuals and our nation demands it. Just consider some key facts. The Commonwealth Fund based here in New York recently released an excellent study documenting that between 2000 and 2007, the net cost of family private health insurance went up 91 percent. At the same time, personal health expenses have gone up 65 percent, but workers' earnings in that same seven year period only went up 24 percent.

These kinds of numbers have forced many employers and employees to change to high deductibles and/or high co-pay plans, just to have some insurance. The Commonwealth study of this phenomenon presents an ominous picture. They found if a plan had a deductible of \$1,000 or more, 40 percent of adults reported that they had one or more of the following problems, they did not see a physician when they needed to, they did not fill a prescription, they did not get a recommended test or treatment, or they did not see a specialist when indicated. If we reduce the deductible to just \$500, 25

percent report the same problems. You can be sure these are patients skipping elective tests such as mammography, PSA tests and colonoscopies, etc.

Imagine how difficult it is for these families when their children are ill and they have to deal with such a large deductible before they can get care.

Imagine what it is like when they have a serious illness. Indeed, Kaiser Family Foundation and Harvard just jointly reported on a joint study that found that one in four cancer patients, who were cancer survivors, used all or most of their savings to pay for their care. One in ten of this group did not even have enough now for basics such as food, heat and housing. Indeed, we have as recently as October 13, a story in *USA Today* noting that now many of these plans require people to pay 20 percent of the cost of their care. When it is a minor medical problem, it is relatively manageable for the middle class, but when it becomes something like cancer of the colon or cancer of the head and neck, and the patient has to use a cancer drug such as Erbitux, which \$10,000 a month, many have to forego care because they cannot pay the 20 percent.

This is clearly no way for people to have to live, particularly in the richest country in the world. Indeed, the stress of this is so significant that in a recent study by the Deloitte Center for Health Solutions, they found that only 7 percent of people in this country feel financially prepared for their future health needs. Think of the incredible suffering that that brings to families and individuals, as well as the incredible stress. And we all know very well what sustained stress does to exacerbate so many health issues. It is not an idle fear either, 50 percent of personal bankruptcies filed in this country list as the reason for having to go into bankruptcy, medical bills. Our counterparts in other countries would never understand this.

And if it is not enough that this system is inflicting so much pain and stress on individuals and families, think of what it is doing to our American economy. We are constantly hearing about how our health care system makes us less competitive in the world market. Almost everyone agrees that we are becoming more global. And yet at the same time, we continue to fail to address this serious competitive disadvantage for U.S. businesses. For many businesses, the solution has been to outsource the jobs, again to the detriment of the people of our nation. For those who can't out source jobs, the McKinsey Global Institute released a report just recently that noted that in 2005, the United States spent 16 percent of its gross domestic product on health care, while the median for other developed countries was 8.5 percent. And remember, these countries have better health care outcomes and effectiveness statistics. We constantly hear business leaders complain about the competitive disadvantage they face. A new study by the New America Foundation Health Policy Program found

that U.S. firms spent twice as much in 2005, as their foreign competitors. For every American worker making \$18.00, U.S. companies spent an additional \$2.38 per hour on health insurance. In contrast, firms in Canada, Japan, Germany, the United Kingdom and France, paid an average of \$20 per hour to that same worker and spent \$.96 per hour on health insurance.

It is very simple to see how this impacts our competitiveness and also compresses the wages of the average worker.

Many expressed grave concerns that we will out source every job that can be out sourced and be left with largely a service economy. Any economist will tell you we cannot build a strong, dynamic economy on a service economy. We must, for the sake of the financial future of the country as a whole, as well as individuals, reverse this trend. It cannot be reversed without dealing effectively with health care reform.

Many are convinced of this already and it is why we are seeing coalitions of some of the strangest bedfellows we could imagine. We are having unions and chambers of commerce and the AARP work together, we are having providers and insurers, as well as many consumer groups work together to sort this issue out. It is imperative that we do it. The great human misery that it is so easy to see all around us, as well as our economic future, demand it. Just two weeks ago, the Employee Benefit Research Institute released its 11 annual health confidence survey. In it, they noted that a majority of Americans, 51 percent want “major change,” and 20 percent of those say a complete overhaul of the health care system is necessary. 31 percent would rate the American health care system as poor, and 29 percent would rate it only as fair. When you have this kind of patient satisfaction, as well as the outcome statistics, why we are paying twice what every other nation pays to maintain that system, is beyond me.

Given our current economic challenges in this country, with the increasing numbers of layoffs and cutbacks, as well as the growing number of people covered by Medicare, this problem is only going to be more challenging to us as a nation, as well as to individual businesses and employees. We labor under the illusion that we pay only for our own care when we buy insurance or when we pay a hospital bill. Nothing could be further from the truth. The 47 million people in this country who have no health insurance and the millions of others who are underinsured, still get sick and they get very sick. Early this year, two researchers from Columbia University completed a study reporting on the cost of health care for the uninsured. In one year, they noted the cost for the uninsured and the people publically insured whose programs such as Medicaid, paid below cost was \$45 billion. That \$45 billion is passed on to insured patients. It causes basic premiums, co-pays and deductibles to rise

rapidly. These same researchers noted that in a five year period, the cost of insurance for employers and other private sources such as the employee, increased 58 percent. The system we have now is structured so that people who have insurance, have no choice but to pay for their own health care and a portion of the cost of the uninsured. This is simply not sustainable.

We must not let the current economic problems tell us that health reform needs to be put off. We will not return to a vibrant economy unless we address this problem.

I continually remind people that we are as smart and as creative, as well as compassionate as other countries. They have found a way to do universal health care and to not make it a constant concern for their people. If they can do it, we can do it as well. And given our experience, and the creativity of the American people, I know we could do it in a way that would be worthy of the American people and would be worthy of emulation if we put our minds to it. We must not accept half solutions and we cannot afford to fail in this. Not only for the poor, the disadvantaged, the middle class, but for the nation as a whole and for the economic future of this nation. Seldom have our interest converged in the same direction so well. We must become knowledgeable and demand that our government leaders take effective action in the very near future. There are many creative proposals on the table and several others being generated at this time. The Catholic Health Association has developed principles by which we will judge every proposal that has been put on the table and the ones that are currently under development. I would encourage you to be knowledgeable and given that many of you are involved in health care, to contribute the reality of your day-to-day experience with patients and their challenges to this conversation. Do not accept that we are not smart enough or compassionate enough to figure out how to do this and how to do it well. Do not let leaders in government and some industries recycle the same old tired excuses for why we just can't do it this time and even more critical, don't let them mislead you into thinking that giving health care to all will mean taking something away from you. When it comes to health care reform, the common good is at its best. We take care of not only the poor, the vulnerable, but ourselves best when we create a system that recognizes the dignity and worth of every single person.

You have had a marvelous window on what good health care can do for people and what a failure to have good health care can do. And we now have enough financial information to know that it is in our financial best interest, as well as the right thing to do, for us to get a system of health care that shows that we really do care about everyone. And that is, the American way.

Thank you and God bless you!