

**Address to the National Health Council  
2007 Voluntary Health Leadership Conference**

**“Health Care: Crisis and Reform”**

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**Thank you. I am pleased to have this opportunity to speak with you today about the health care crisis, health care reform, and their impacts and implications for the missions of your individual organizations and of the National Health Council.**

**The views I will share with you are those of the National Coalition on Health Care, the largest and most broadly representative alliance of organizations working for system-wide health care reform.**

**I am especially glad to be on the program today with John Seffrin, who is an outstanding leader of the American Cancer Society.**

**The American Cancer Society is an active and important member of the Coalition, and John is a member of our board.**

**I want to focus today on three topics**

- First, the crisis in health care and how it impedes the vital work that you do;**
- Second, the Coalition’s recommendations for system-wide health care reform and why they would help each of you to achieve your organizations goals and at the same time advance the well-being of all Americans; and**
- Third, how, working together, we can educate the public and its leaders about these issues and increase the momentum for reform.**

**The Coalition's membership consists of more than seventy of the nation's largest companies, unions, patient advocacy and consumer groups, health care providers, health and pension funds, higher education associations; insurers, and all our Nations religious denominations.**

**Many of these organizations are huge in their reach and their roles in the american economy, in our society, and in the health care system -- for example, the AARP; the AFL-CIO; the Principal Financial Group; the New York and California state public employee and teacher retirement systems; the National Council of Churches; the American Academy of Pediatrics; the American Academy of Family Physicians; American College of Obstetrics and Gynecology; UnitedHealth Group; the American Council on Education; the Salvation Army; and, as already noted, the American Cancer Society.**

**Our member organizations represent – as employees, members, volunteers, or congregants – more than 150 million Americans.**

**And collectively they spend hundreds of billions of dollars each year on health care and account for literally trillions of dollars of corporate asset ownership.**

**The Coalition speaks for a broad cross-section of America. Ours is a voice not for any special interest, but for the national interest in a more inclusive, more efficient, and safer health care system.**

**And we are rigorously non-partisan. Our Co-chairmen are former Republican Governor Robert D. Ray of Iowa and former Democratic Congressman Paul G. Rogers of Florida. Our Honorary Co-chairmen are former Presidents George H.W. Bush and Jimmy Carter and included until recently President Gerald R. Ford.**

**Why do our member organizations share such a sense of urgency about the need to reform health care? Because the problems in health care are severe -- and because in the absence of system-wide change, these problems will only deepen, hurting our nation and our people.**

## **I. The Crisis in Health Care**

**There are three grave and interconnected problems in American health care:**

- First, rapidly escalating costs;**

- **Second, a huge and growing number of Americans without any health coverage, and**
- **Third, an epidemic of sub-standard costly and dangerous care.**

**Let's begin by considering costs.**

**The costs of health care are surging at extraordinary rates. In only three more years national health care spending will exceed \$2.7 trillion -- nearly a trillion dollars more than was spent three years ago.**

**In just the past six years, health insurance premiums have leaped 87 percent -- more than four times the cumulative increase over that same period in overall inflation and in earnings.**

**Nationally, the average annual premium for family coverage is now almost \$11,500 – up from about \$6,300 in 2000.**

**These enormous increases in premiums are making it much more difficult for employers to continue providing health coverage for employees and retirees.**

**And rapid premium increases are also making it much more difficult for individuals and families to pay their shares of the cost of employer-sponsored coverage or to buy health insurance themselves.**

**It is no coincidence that the numbers of Americans without health coverage have been climbing.**

**And increases in the costs associated with specific tests and treatments mean that the steep barriers to care for those without coverage continue to rise.**

**Simply put, the surging costs of health coverage and health care make it increasingly difficult, as a practical matter, to advance your individual missions and the National Health Council's central mission of "improving the health of all people, particularly those with chronic diseases and/or disabilities."**

**What's more, the escalation of health care costs is no longer only a health care issue; rising costs have now created a gigantic national economic problem.**

**As these costs rise, they slow the rate of economic growth – a linkage that our Coalition has been warning about for years and one that President Bush and his Council of Economic Advisors have now officially recognized. By cutting into corporate operating margins, surging health care costs reduce the capacity of firms to grow by investing in research, plant and equipment.**

**These same costs also slow the rate of job growth by making it more expensive for companies to add new workers.**

**They suppress wage increases for current workers by driving up total compensation costs.**

**They erode the ability of firms to fund current levels of pension and health benefits.**

**They generate contentious collective bargaining disputes.**

**They drive up program expenditures and create severe federal and state budget problems.**

**And they put American firms at a steep disadvantage in world markets, where they have to compete against companies in countries with much lower health care costs.**

**We have reached the point where the domestic challenges that the public is most concerned about – economic growth, jobs, retirement security, and health care – are now one and the same issue. Economic growth, jobs, and retirement security cannot be assured unless health care costs are contained.**

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**The second facet of our health care crisis is a huge and growing number of Americans without any health insurance.**

**According to a new report from the Census Bureau, the number of uninsured Americans rose to 46.6 million in 2005 – an increase of 6.8 million in just five years.**

**But even these numbers understate the real scope of the uninsurance problem. Over the course of a two-year period, nearly a third of the**

population below the age of 65 spends at least a portion of time without health coverage.

Uninsurance exacts a grim toll on the health of the uninsured. Those without coverage receive less care, endure more pain and suffering, and are more likely to die prematurely.

A recent Commonwealth Fund survey found that uninsured adults were at least three times more likely than insured adults to report that they had not seen a primary care physician or a specialist in the past year or that they had gone without a needed medical test or treatment because of cost.

These findings have direct implications for the battles that this Council and your individual organizations wage every day to reduce the incidence of diseases and disabilities and to improve treatment and outcomes.

Let's briefly consider, for example, what we know about the connection between uninsurance and cancer. The steadily rising incidence of uninsurance means that every year, more Americans are at risk for late-stage detection of cancer and for insufficient and discontinuous care as cancer patients.

Numerous studies have established that those without health coverage are less likely than those with coverage to undergo timely screenings for cancer. According to a new analysis by Joseph Ross and Susan Busch of Yale University, uninsured adults are 13 percentage points less likely than insured adults to be screened for cervical cancer, 27 percentage points less likely to be screened for breast cancer, and 25 percentage points less likely to be screened for colorectal cancer.

These disparities have dire consequences. According to the Institute of Medicine, "Uninsured cancer patients generally have poorer outcomes and are more likely to die prematurely than persons with insurance, largely because of delayed diagnosis."

Even after being diagnosed, cancer patients without health coverage receive substantially less care than those with coverage. A recent study by Kenneth Thorpe and David Howard of Emory University found that uninsured cancer patients have fewer provider encounters across all of the categories analyzed: fewer emergency room visits, fewer inpatient

admissions, fewer hospital outpatient treatments, and fewer appointments in physician offices.

In summary, according to Professors Thorpe and Howard, “[R]aising coverage rates will improve cancer treatment.”

This sad sequence of connections -- between uninsurance and late detection, and between uninsurance and insufficient treatment – could be documented for disease after disease.

This is the ineluctable logic of exclusion.

Until we secure health coverage for everybody, our capacities to help improve the health of all Americans with any disease or combination of diseases will be sharply limited.

And with uninsurance rates rising so rapidly, the gap between what we can do and what we need to do will continue to grow.

That is why, as a physician and as a citizen, I believe that the attainment of universal health coverage is so extraordinarily important.

Last summer, our friend John Seffrin delivered a major speech at the National Press Club in Washington. In response to a question at that session, John said, and I quote:

If we don't do something to fix the health care system and provide access to people, then before I'm finished, lack of access will be a bigger killer [through] cancer than tobacco. And if we let that happen, shame on us.

That is chilling. And again, the logic that applies to cancer applies with respect to other diseases and disabilities as well.

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The third major system-wide problem is an epidemic of sub-standard and dangerous care. There is what the Institute of Medicine has termed a “quality chasm” between the care that patients should receive and the care that is actually delivered.

Literally hundreds of thousands of Americans die prematurely each year because of sub-standard care. Millions more are harmed.

**Unnecessary accidents, errors, and poor quality of care are the nation's third leading cause of death, just behind cancer and heart disease.**

**Can there be any doubt that we need a major national effort to protect patients from unsafe care?**

**It is bad enough that many Americans don't get the screening and care they need because of rising costs and because increasing numbers of them have no health coverage.**

**For those who do receive treatment, poor-quality care can do them more harm than good.**

**It adds injury to injury.**

**It is a national scandal.**

**We need to improve health care quality primarily to improve outcomes for patients, but quality is also a huge cost issue. According to Dr. Donald Berwick, president of the renowned Institute for Healthcare Improvement and a faculty member at Harvard Medical School, "[T]otal cost reductions of nearly 30 percent below current levels should be attainable while improving the overall quality of health care." With annual health care spending now exceeding \$2 trillion, this estimate suggests that we may be wasting \$700 billion a year.**

## **II. System-wide Health Care Reform**

**So these are the problems we face. They add up to a real crisis, but not an intractable one. The only way to effectively address a crisis of this magnitude is through system-wide health care reform – reform that would greatly advance the work that all of you do to improve the health and well-being of everybody.**

**Our members believed that it was time to go beyond the articulation of general goals and principles for reform – that it was time, in short, to develop a blueprint for reform. And so we did.**

**After more than a year of study and deliberations, the Coalition issued a major report at the U.S. Capitol that reflects a consensus among our members. It is the most ambitious and comprehensive health care reform proposal in the national debate today.**

We hope that our recommendations – what we call specifications for reform -- will help to accelerate a renewed debate about how to improve the American health care system

And we hope that because these recommendations are backed by so many organizations that represent such a broad cross-section of America, they will embolden political leaders to act.

Our detailed report, entitled Building a Better Health Care System: Specifications for Reform, is available at the Coalition web site, [www.nchc.org](http://www.nchc.org). For now, I just want to summarize our recommendations, which fall into five categories.

First, our members call for coverage of all Americans within two to three years after the passage of legislation. We recommend that Congress specify a core benefit package.

Coverage would encompass medically necessary, comprehensive care, including emergency care, acute care, prescription drugs, early detection and screening, preventive care, care for chronic conditions, and end-of-life care.

Individuals and employers would be able to purchase supplemental coverage beyond the core package.

The Coalition identifies a range of options that Congress could use to insure all Americans, including

- Employer mandates (supplemented with individual mandates as necessary)
- Expansion of existing public programs that cover subsets of the uninsured
- Creation of new programs targeted at subsets of the uninsured or
- Establishment of a universal publicly financed program.

None of these options imply or require a government run system and all of them or a combination of them would work, but to assure that everyone gets coverage, participation must be mandatory, and subsidies must be provided for those who are less affluent.

Second, the Coalition proposes measures to assure much more effective cost management. These measures are designed to achieve two goals The first – to be accomplished in five years – is to bring increases in

the costs and premiums associated with the core benefit package into alignment with increases in per capita gross domestic product. The second is to increase the value for patients that would be generated by any given level of health care spending.

Our members believe that over time, the health care system must be made far more efficient by providing more and better information for patients, providers, and purchasers; improving the quality and outcomes of care; and building a national information technology infrastructure for health care.

But we also believe that the urgent need for cost relief requires short-term constraints, even as these other measures are being implemented. These constraints would include rates for reimbursing providers for care encompassed by the core benefit package and, only after those rates take effect, limits on increases in insurance premiums for the core benefit package.

Third, our members call for a major system-wide effort to improve the quality and safety of health care.

This effort would include national practice guidelines, and, as already noted, the accelerated development of an information technology infrastructure for health care.

Fourth, our members call for steps to make the financing of health care more equitable, including the reduction over time of inequitable cost-shifting across categories of insurance programs and payers. Our report identifies mechanisms that could be used to fund the upfront program costs of reform.

Lastly, the Coalition recommends steps to simplify the administration of health care. The reforms we propose would dramatically simplify the system, reduce the cost of administration, and enable health care markets to function more effectively.

Recently, the Coalition commissioned an independent assessment by a highly respected health care economist -- Kenneth Thorpe of Emory University -- of the costs and savings that would be associated with health care reform along the lines recommended by our members. Using conservative assumptions, Professor Thorpe modeled the impacts of four scenarios consistent with the Coalition's specifications.

**He found that in all four scenarios, the cost of a reformed system would be less – much less -- than the cost of continuing with the status quo.**

**By the tenth year of implementation, annual system-wide savings would range between \$125 billion and \$182 billion – depending on the scenario pursued -- and the savings would grow year to year after that. In the first decade after implementation, system-wide savings could exceed one trillion dollars.**

**America can afford health care reform. What we cannot afford is a continued failure to address the crisis in health care – a crisis that imperils the health and prosperity of all Americans.**

### **III. Building the Momentum for Reform**

**Before I discuss some of the specific steps that the Coalition will be taking to build the momentum for reform, I want to make three comments about the current context.**

**First, we are at a critical juncture, because the public is now receptive to, and in fact eager for, information about our health care system and ideas for improving it.**

**Why? Because so many people are worried sick. A new survey by the Harvard School of Public Health and the Robert Wood Johnson Foundation found that 75 percent of Americans think that the health care system is in crisis or has major problems.**

**According to another poll – just released by ABC News, USA Today, and the Kaiser Family Foundation – 80 percent of Americans are dissatisfied with the cost of health care in this country, and 60 percent of insured Americans are worried about being able to afford health insurance costs over the next few years.**

**Americans are unhappy about the status quo, and they are ready for some answers.**

**Second, this past November's congressional elections create some new opportunities to advance the prospects for health care reform. The Coalition is non-partisan, and we do not take sides in or about elections.**

**What is clear, though, is that in the aftermath of the November results, political leaders in both parties – in the White House and on Capitol Hill – are rethinking and reformulating their agenda. In particular, they are looking for issues and initiatives that can be worked on across party lines. And that is where we, and health care reform, can come in.**

**Which leads to my third observation: The Coalition is in a unique position to advance the prospects for reform in the current context.**

**We can make the case – and we will make the case – to political leaders that there is already, in the form of the Coalition, broad support, across party lines and segments of the economy and society, for a specific set of tough measures to build a better health care system.**

**On this, the most important issue of domestic policy, both parties can work to advance the interests of the nation, knowing that they will have support and collaboration from a Coalition that already represents half the population.**

**Here, then, are some of the specific steps we are taking:**

**First, we are meeting with key members of Congress and their staffs to make the substantive case for health care reform and to remind them that our Coalition – which represents a cross-section of America – stands ready to support measures along the lines of what our members have recommended.**

**Second, and very specifically, we are meeting with the chairs and ranking minority members of congressional committees and subcommittees with health care responsibilities and urging them to convene hearings, early in the new Congress, about system-wide health care issues and options.**

**These would be much wider in scope, and much more ambitious in their consideration of alternative policies, than the hearings held in the congressional session now drawing to a close.**

**In our conversations on the Hill, we are seeking opportunities to help plan – and then to testify at – the proposed new hearings.**

**Third, we are reaching out to prospective presidential candidates and their advisors, to brief them about the health care crisis and potential remedies. We are considering options for encouraging presidential**

**candidates to speak out about health care reform, including the possibility of convening or co-sponsoring candidate forums. Several of them have already spoken to our Coalition and Governor Romney has agreed to be our next speaker.**

**Fourth, we are following up with governors – including many with whom we have already had constructive meetings – to urge them to advocate national reforms, to convene with the Coalition’s help public forums to educate the public about these issues, and to help explain how potential system-wide reforms could help address and mitigate health care problems in their states.**

**Fifth, we are developing and customizing materials for Coalition organizations to use in communicating to their members, employees, and congregants. We will continue to seek opportunities to brief journalists and help them with story ideas and background information, and we will issue a steady stream of press releases, Coalition statements, and opinion pieces.**

**Sixth, we will continue to analyze health care issues and proposals, including systemic and incremental bills and initiatives – with a special emphasis in the near term on the effects of escalating health care costs and the impacts of our proposed reforms.**

**And seventh, we will continue to broaden the constituency for change – and the capacity of the Coalition to educate and engage Americans where they live, work, worship, and volunteer -- by encouraging additional organizations to join our effort.**

**In fact, I hope that many of your organizations will decide to work with us.**

**An unreformed health care system – the system that we have now -- inherently and increasingly limits the progress that can be made in the fight of any single disease group to improve health.**

**The vital work that all of you do could be dramatically advanced by health care reform that would constrain surging health care costs, that would assure every American coverage, and that would improve the quality and safety of care.**

**Your organizations can make a huge difference to the prospects for system-wide reform. You have extraordinary capacities and credibility, access, influence, and moral force.**

**You and your colleagues can help to educate America – including your volunteers and donors, the general public, health care providers, political leaders, and policy makers at all levels – about why we need health care reform and about how reform would improve the health and well-being of Americans.**

**You and the organizations you lead can help to generate awareness, inform and encourage debate, and build the demand for reform.**

**Your missions and the mission of the National Coalition on Health Care are bound together.**

**In truth, we are all in the same fight.**

**We are all in the right fight.**

**And working together we can win.**

**We must win.**

**For current generations and generations to come.**

**To save lives, to improve lives, to diminish suffering.**

**Thank you for your attention.**

**And thank you for your dedication, for your leadership, and for all the extraordinarily important work that you do and will continue to do even more successfully in a reformed health care system.**

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**The National Health Council is a private, nonprofit umbrella organization of 115 national health-related organizations working to bring quality health care to all people. Its core membership includes some 50 of the nation's leading voluntary health agencies representing about 100 million people with chronic diseases and/or disabilities. Other Council members include professional and membership associations, nonprofit organizations with an interest in health, and major pharmaceutical and biotechnology companies. The Council serves as a place for diverse health-related groups to build consensus with a focus on patients and their needs.**