Does Health Insurance Make a Difference?

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Foreword

Reform of the Nation’s health care system has risen to the top of the Nation’s domestic policy agenda. Most health care reform efforts aim to simultaneously reduce health care costs, increase access, and maintain or improve the quality of care. But that is easier said than done; these multiple goals present a dilemma for policymakers, providers, and patients.

At the same time that concern for uninsured individuals intensifies, the Nation continues to observe double-digit increases in national health care expenditures. Many question whether increased expenditures have been accompanied by analogous improvements in health status; they suspect that much of the Nation’s health dollars are wasted on unnecessary or inappropriate care that results in little positive (or even adverse) effects on health. These questions about the prevalence of unnecessary or inappropriate care have raised concerns about the extent to which increasing the number of Americans with health care coverage would actually improve their health. Individual examples of how high costs relative to family income impede access to care, how lack of access can cause greater treatment costs and premature deaths, and how personal health care expenditures have led to financial ruin have become a common focus of discussion. What can one conclude?

This Background Paper provides interim results of OTA’s assessment Technology, Insurance, and the Health Care System. It reviews the scientific literature linking health insurance status with access to and the use of health services, and with individual health outcomes. The assessment as a whole was requested by Senator Edward M. Kennedy, Chairman of the Senate Committee on Labor and Human Resources, and endorsed by Congressman John Dingell, Chairman of the House Committee on Energy and Commerce; Congressman Bill Gradison of the House Committee on Ways and Means Subcommittee on Health; and Senator Charles Grassley, a member of the Technology Assessment Board. This Background Paper was prepared in response to a specific request from Senator Kennedy.

The development of this Background Paper was greatly assisted by a literature review prepared under contract to OTA by Joel Weissman and Arnold Epstein of Harvard University, and by an advisory panel, chaired by James L. Hunt, Chancellor, University of Tennessee-Memphis, Health Sciences Center, and a member of OTA’s Technology Assessment Advisory Council. In addition, many other individuals provided information and reviewed drafts of the paper. OTA gratefully acknowledges the contribution of each of these individuals. As with all OTA documents, the final responsibility for the content of the assessment rests with OTA.
Does Health Insurance Make a Difference?

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NOTE: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the workshop participants. The workshop participants do not, however, necessarily approve, disapprove, or endorse this background paper. OTA assumes full responsibility for the report and the accuracy of its contents.
Technology, Insurance, and the Health Care System

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