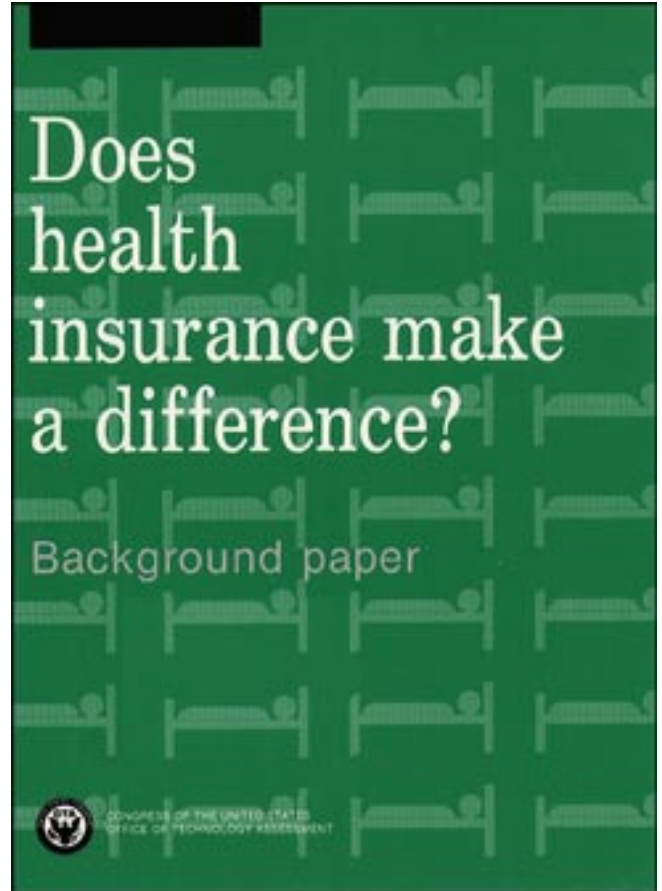


Does Health Insurance Make a Difference?

September 1992

OTA-BP-H-99

NTIS order #PB93-101699



Recommended Citation:

U.S. Congress, Office of Technology Assessment, *Does Health Insurance Make a Difference?-Background Paper, OTA-BP-H-99* (Washington, DC: U.S. Government Printing Office, September 1992).

For sale by the U.S. Government Printing Office
Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328

ISBN 0-16 -038048-0

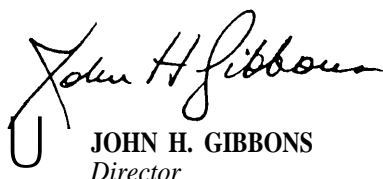
Foreword

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.



JOHN H. GIBBONS
Director

Does Health Insurance Make a Difference?

Roger Herdman, *Assistant Director, OTA
Health and Life Sciences Division*

Clyde Behney, Health Program Manager

Denise Dougherty, *Project Director*

Heather Francese, *Research Assistant*

Based in part on a contractor paper by;
Joel S. Weissman, Ph.D. and Arnold M. Epstein, M.D., M.A.
The Division of General Medicine,
Section on Health Services and Policy Research
Department of Medicine, Brigham and Women's Hospital, Boston, MA, and
The Department of Health Care Policy, Harvard Medical School, Boston, MA

Other Contributing Staff

Elizabeth K. Pfaffenroth, *Summer Intern*

Kerry B. Kemp, *Senior Analyst*

Jill Eden, *Senior Analyst*

OTA Administrative Staff

Marian Grochowski, *Health Program Office Administrator*

Eileen Murphy, *PC Specialist*

Kimberly Hohmlund, *Secretary*

OTA Workshop: Relationships Among Insurance Coverage, Access to Services and Health Outcomes: Critical Review and Synthesis of the Literature and Two Case Studies

January 23, 1992

Workshop Participants

James C. Hunt, MD, *Chair*
Chancellor
University of Tennessee-Memphis
The Health Science Center
Memphis, TN

Claudia Baquet, MD
Associate Director
Division of Cancer Prevention and Control
USDHHS PHS NIH NCI
Rockville, MD

Robert Brook, MD
The RAND Corp.
Santa Monica, CA

Amy Cato, PhD
Coordinator
Institute on Health Care for the Poor and Underserved
Meharry Medical College
Nashville, TN

Paula K. Diehr, PhD
Professor
Department of Biostatistics
School of Public Health and Community Medicine
University of Washington
Seattle, WA

Beth Fuchs, PhD
Education and Public Welfare Division
Congressional Research Service
Washington, DC

Sarah Gotbaum, PhD
Chevy Chase, MD

Jack Hadley, PhD
Center for Health Policy Studies
Georgetown University
Washington, DC

Janet Kline
Chief, Health Section
Education and Public Welfare Division
Congressional Research Service
Washington, DC

Stephen H. brig, PhD
Senior Economist
The RAND Corp.
Washington, DC

Pamela Farley Short, PhD
Agency for Health Care Policy and Research
USDHHS PHS
Rockville, MD

Thomas Vischi, MA
program Analyst
Office of National Drug Control Policy
Executive Office of the Press
Washington, DC

OTA Contractors/Authors
David Blumenthal, MD
Health Policy Research and Development Unit
Massachusetts General Hospital
Boston, MA

Arnold Epstein, MD
Chief, Section on Health Services and Policy
Department of Health Care Policy
Harvard Medical School
Boston, MA

Marianne Fahs, PhD
Associate Professor for Health Economics
Mt. Sinai Medical Center
New York, NY

Joanne Lukomnik, MD
New York, NY

Thomas McGuire, PhD
Department of Economics
Boston University
Boston, MA

Larry Miike, MD, JD
Executive Director
Papa Ola Lokahi
Honolulu, HI

Greg Scandlen
Alexandria, VA

Joel Weissman, PhD
Department of Health Care Policy
Harvard Medical School
Boston, MA

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 OTA Advisory Panel

James C. Hunt, MD, Chair
Chancellor
University of Tennessee-Memphis
Memphis, TN

Henry Aaron, PhD
Director
Economic Studies Program
Brookings Institution
Washington, DC

Robert Brook, MD
The RAND Corp.
Santa Monica, CA

Arthur Caplan, PhD
Director
Center for Biomedical Ethics
University of Minnesota
Minneapolis, MN

Deborah Chollet, PhD
Associate Director
Center for Risk Management and
Insurance Research
Georgia State University
Atlanta, GA

Olivia Cousins, PhD
Associate Professor
CUNY-Health Education
New York, NY

Jane L. Delgado, PhD
President and CEO
National Coalition of Hispanic
Health and Human Services
Organizations
Washington, DC

Paula K. Diehr, PhD
Professor
Department of Biostatistics
School of Public Health and
Community Medicine
University of Washington
Seattle, WA

M. Joycelyn Elders, MD
Commissioner of Health
State of Arkansas
Little Rock, AR

Jack Hadley, PhD
Center for Health Policy Studies
Georgetown University
Washington, DC

Douglas E. Henley, MD
Hope Mills, NC

William Hobson, MS
Executive Director
Central Seattle Community
Health Centers
Seattle, WA

John Lewin, MD
Director of Health
State of Hawaii
Honolulu, HI

Barbara J. McNeil, MD
Department of Radiology
Harvard Medical School
Boston, MA

David Mechanic, PhD
Rene Dubos Professor of
Behavioral Sciences
Director, Institute for Health,
Health Care Policy, and
Aging Research
Rutgers University
New Brunswick NJ

Joseph Morris, MBA
Vice President for Information
Systems
Delaware Valley Hospital Council
Philadelphia, PA

Patricia Nazemetz
Director of Benefits
Xerox Corp.
Stamford, CT

David G. Pockell, MS
Senior Vice President and Regional
Manager
Kaiser Foundation Health Plan
Oakland, CA

Carl Scott
Senior Vice President
Mutual of Omaha
Omaha, NB

Gordon R. Trapnell
Gordon R. Trapnell Actuaries
Annandale, VA

Cheryl B. Travis, PhD
Department of Psychology
University of Tennessee
Knoxville, TN

Special Consultant
Stephen H. Long, PhD
Senior Economist
RAND Corp.
Washington, DC

NOTE: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the advisory panel members. The panel does not, however, necessarily approve, disapprove, or endorse this background paper. OTA assumes full responsibility for the report and the accuracy of its contents.