Statement of
Jim Guest
President of Consumers Union
before
the Senate Committee on Health, Education, Labor & Pensions
hearing on
"What Women Want: Equal Benefits for Equal Premiums"

October 15, 2009

Senator Mikulski and Members of the Committee:

I'm Jim Guest, President and CEO of Consumers Union, publisher of *Consumer Reports*, and I thank you for the opportunity to testify on the subject of equal treatment for women in our health-care system. Consumers Union is a non-profit, non-partisan, independent testing, research and public policy organization whose mission is to work for a fair, safe and just marketplace for all consumers. We have over 4 million subscribers to our print magazine and more than 3.2 million on-line subscribers. We have tested, reported and spoken out on health-care matters since our very first issue in February, 1936.

For more than 70 years, we have been dedicated to helping consumers make informed choices that affect their pocketbooks. And today, one of the most important pocketbook issues for American families is health care. For the past two years we have done extensive national surveys and research which we have used in *Consumer Reports* articles to educate consumers about what is happening in the health sector and the underlying causes of today's health-care crisis. In addition, we have been collecting many thousands of personal stories from around the country that illustrate the realities Americans are facing in our broken health-care system.

Several thousands of those who have shared their experiences with us are women. Women are the "chief purchasing officers" in most households – making most of the health-care buying decisions and managing the health care of family members as well as their own. But there is another reason we hear from so many women, and that is because the system today makes accessing and affording high-quality health care uniquely difficult and burdensome for women.

The reasons women are disproportionately impacted in the current health care system are well documented: lower incomes, more part-time work, more small businesses, more periods of unemployment to care for children or aging parents, more bankruptcies, higher use of medical services and so forth. The other experts on this panel can speak in depth about these factors.

In September, the Consumer Reports National Research Center conducted the latest of our nationally representative polls on health care. Two sets of questions, in particular, showed significant differences between men and women that are relevant to this panel's focus today.

First, regarding cost and its impact on access to care, we asked respondents if they were rationing their own care – that is, were they restricting their use of health care due to cost. The results were striking: 51 percent of all respondents said that in the past year they had put off a doctor's visit, or not filled a prescription, or skipped a treatment or procedure, or not been able to pay their medical bills due to cost. Women were much more likely than men to face such choices – 55% to 47%.

Specifically, women are more likely to have:

- Skipped filling a prescription (23% versus 16%)
- Taken an expired medication (18% versus 11%)
- Shared a prescription with someone else (12% versus 6%)

Second, we asked respondents about their main concerns regarding health care. Women have greater concerns than men on most health-care issues, including significantly greater concern that they would:

- Suffer a major financial loss or setback from medical cost due to an illness or accident (77% versus 70%)
- Face rising costs forcing a choice between healthcare and other necessities (69% versus 59%)
- Not be able to afford health-care in the future (78% versus 68%)
- Be denied health coverage because of pre-existing conditions or other circumstances (67% versus 59%)

And, by a difference of 75 to 70 percent, women are more concerned that needed care will be rationed or denied by their insurance company.

In the thousands of stories we gathered in recent years of people's experiences and concerns with the health-care system, the reality is clear: Common health needs specific to women too often are not covered under current health insurance practices. We heard from numerous women who found themselves with coverage delayed or denied because of very common health needs such as benign fibroids, previous fertility treatments, pregnancies and the like.

Attached are some truly moving stories that illustrate the types of everyday problems women experience because of their unique health needs.

These survey results and personal stories highlight policy areas that need to be changed for all consumers of health care, but especially for women. I want to highlight four such areas.

1. Affordability.

We support proposals that prohibit higher premiums due to gender. These proposals will greatly help women, particularly in their young adulthood.

We support limiting age-rating differentials. Doing so will help women at an especially vulnerable time – the years leading up to Medicare eligibility – when they often find themselves without their husband's coverage due to divorce or death of their spouse. We recommend the lowest age rating of 2:1, as in the House bills and the Senate HELP Committee bill.

We support expansion of Medicaid to 133% of poverty ($24,400 for a family of 3) in order to provide a stable source of coverage for low-income working women. We urge Congress to ensure that this expansion be coupled with improvements in Medicaid provider rates so that it increases real access to care, not just insurance.

Even with these important improvements, affordability remains a major concern for middle- and lower-income people who are, disproportionately, women. Because the costs of insurance are so high relative to their families' take-home pay, all of the current bills include sliding-scale subsidies to help them afford the insurance they will be required to get under all of the proposals. We strongly believe that more must be done to ensure affordability. We support the highest possible premium subsidies that waive mandatory premiums for those on Medicaid (those below 133% to 150%, or $24,400 to $27,500, for a family of 3) and charge families at 400% of poverty ($73,240 for a family of 3) no more than 10% of their income. While this will increase costs, insurance reform will not work effectively if it requires Americans to buy policies that are unaffordable. Additional savings and progressive finances are needed to ensure affordability.

Another problem is that in recent years consumers have seen more and more of the costs of health care shifted to them in the form of higher out-of-pocket cost-sharing, often at levels they cannot afford. Therefore, we urge that you also limit out-of-pocket spending to no more than 5% of income for people with incomes below 200% of FPL and – using a graduated sliding scale—a limit between 5% to 10% of income for people between 201% and 400% of FPL. Finally, we support the approach taken by the HELP Committee to increase the actuarial value of plans that are offered in order to ensure that the coverage people will be required to carry will truly protect against health-care costs.

Finally, we strongly support giving American families the choice of a Public Insurance Plan option, which will hold down costs by ensuring competition and holding private insurers accountable.

2. <u>Coverage</u>

All of the proposals under consideration make necessary and important improvements in coverage for conditions that only women experience – maternity and preventive services like mammograms and other screenings. In addition, ending exclusions due to pre-existing conditions will help everyone, but as our stories show, this will especially help increase women's access to affordable care without penalty for common female conditions like fibroid tumors, C-sections and other child-bearing-related experiences.

3. Consumer information.

Finally, I want to mention a third key reform that will help women as the primary decision makers about health care in most families, and that will greatly improve competition based on cost and quality, helping reduce the growth of health costs over time.

Health care experts like to talk about the "marketplace" and "competition". But today's health care marketplace lacks an essential element necessary for consumers to be able to choose the insurance or health-care services that best meet their needs. People are forced to make high-cost decisions without being able to know the full costs or the relative quality and effectiveness of different insurance products, procedures or providers. This has to change.

First, we all know about the fine print, loopholes, and "gotcha" aspects of health insurance policies. It is vital that the final law retains the HELP Committee provisions that define medical and insurance terms so consumers can compare apples-to-apples. We particularly like the HELP Committee's "scenarios" of what it would cost to be treated for certain common conditions.

Second, In whatever "exchange" or "connector" marketplace that is established to help people shop, make sure that the consumer is told not just the premium cost, but also the estimated annual total cost, based on past medical history or on one's own estimate of one's health condition – for example, "good health, fair health, poor health." Consumers Union has some data that shows that when consumers can see an estimate of their likely total cost, they make much better choices than if they only have premium information available. And if they make better insurance choices, they will need less subsidy help with premiums, deductibles, and co-pays. Total estimated cost data will help everyone win.

Third, make available to consumers comparable information about the quality and effectiveness of providers and different services. For example, we support the Senate Finance provision that requires the development of a rating system for plans based on

relative quality and price compared to other plans offering products in the same benefit level. Consumers need this kind of help on the exchange websites to deal with what is likely to be a confusing, busy new market (similar to the 40-60 plans that faced seniors in Part C and D). As another example, we also support Senator Reed's amendment in the HELP bill, requiring clearer fact-based labeling of pharmaceuticals.

4. Comparative Effectiveness Research (CER)

The CER provisions in the three bills will be a huge gain for women in the decades to come. Women, and minorities, historically have been badly under-represented in clinical trials and pharmaceutical and medical device research. The new CER Trust Funds will provide a robust level of funding that is mandated to give better, more balanced attention to research on what works for women. CER holds the promise of personalized medicine in the future, where, for example, the best treatment for breast and other cancers can be determined by an understanding of gene markers. We think it is crucial, however, that CER research is housed in a public agency, as proposed by the HELP Committee. Turning CER over to a private foundation means that the process is likely to be captured by the medical industries, and instead of delivering scientific research, it will become just another part of the drug and device sales juggernaut. Further, members of the CER body should be free of any personal or financial conflicts of interest, and membership should include a substantial number of consumer and patient representatives.

Conclusion

The disproportionate burdens of the current system are unfair to women. But in the end, the disparities have long-lasting effects on us all, men as well as women. For men, these are our wives, our mothers, our daughters, our sisters who are being denied the insurance coverage and access to care that they deserve. When a mother or wife or daughter or sister faces a serious health challenge, so does everyone in her family. It is in the interests of all consumers that our health insurance system must be improved. The time for action is now.