



Spillover Effects: A Motivation for Large-Scale Health Care Reform?

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“Spillover Effects”

“High rates of community uninsurance can impact access to health care and, ultimately, population health for the insured”

Pagan and Pauly, Health Serv Res, 2006

Agenda

Political context for reform

- Public opinion challenges
- Interest groups and political institutions
- Characteristics of the uninsured

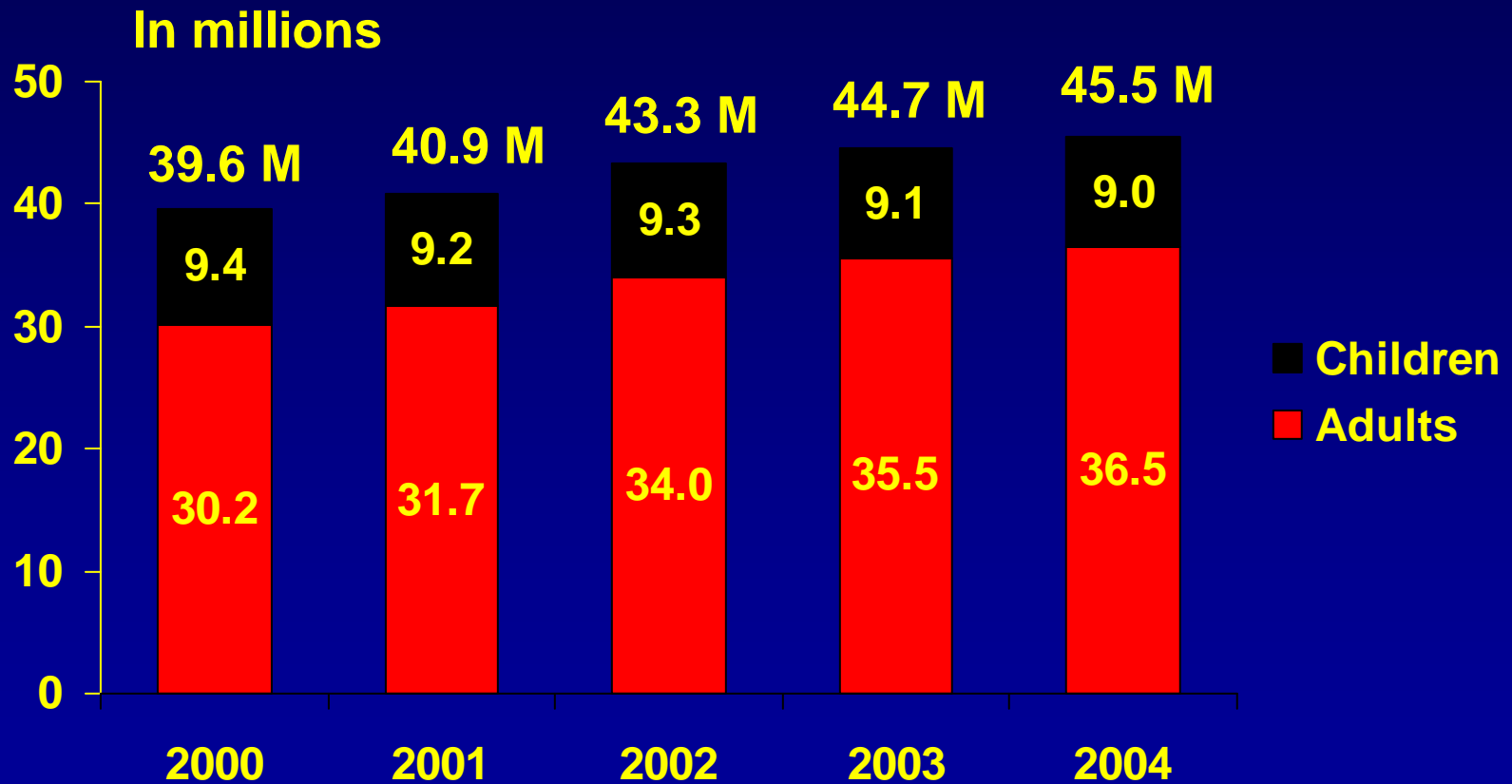
“Spillover effects”

- Hypothesized mechanisms
- Empirical evidence

Feasibility of motivating the public

Directions for future research

Growing Numbers of Uninsured



SOURCE: KCMU and Urban Institute estimates based on the March Current Population Surveys, 2001-2004.

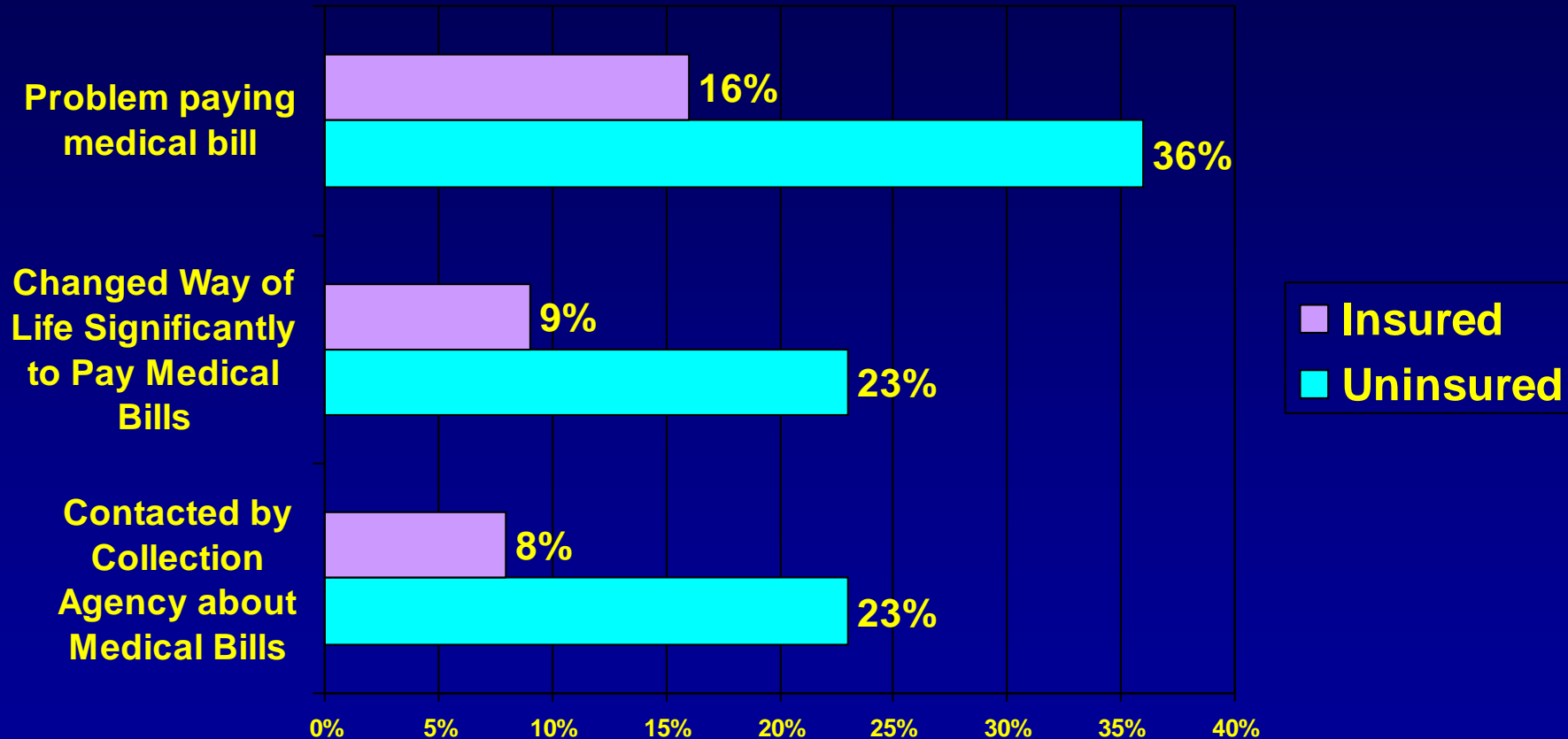
Consequences of Being Uninsured

- use fewer preventive and screening services;
- are sicker when diagnosed;
- receive fewer therapeutic services;
- have poorer health outcomes (higher mortality and disability rates); and
- have lower annual earnings because of poorer health.

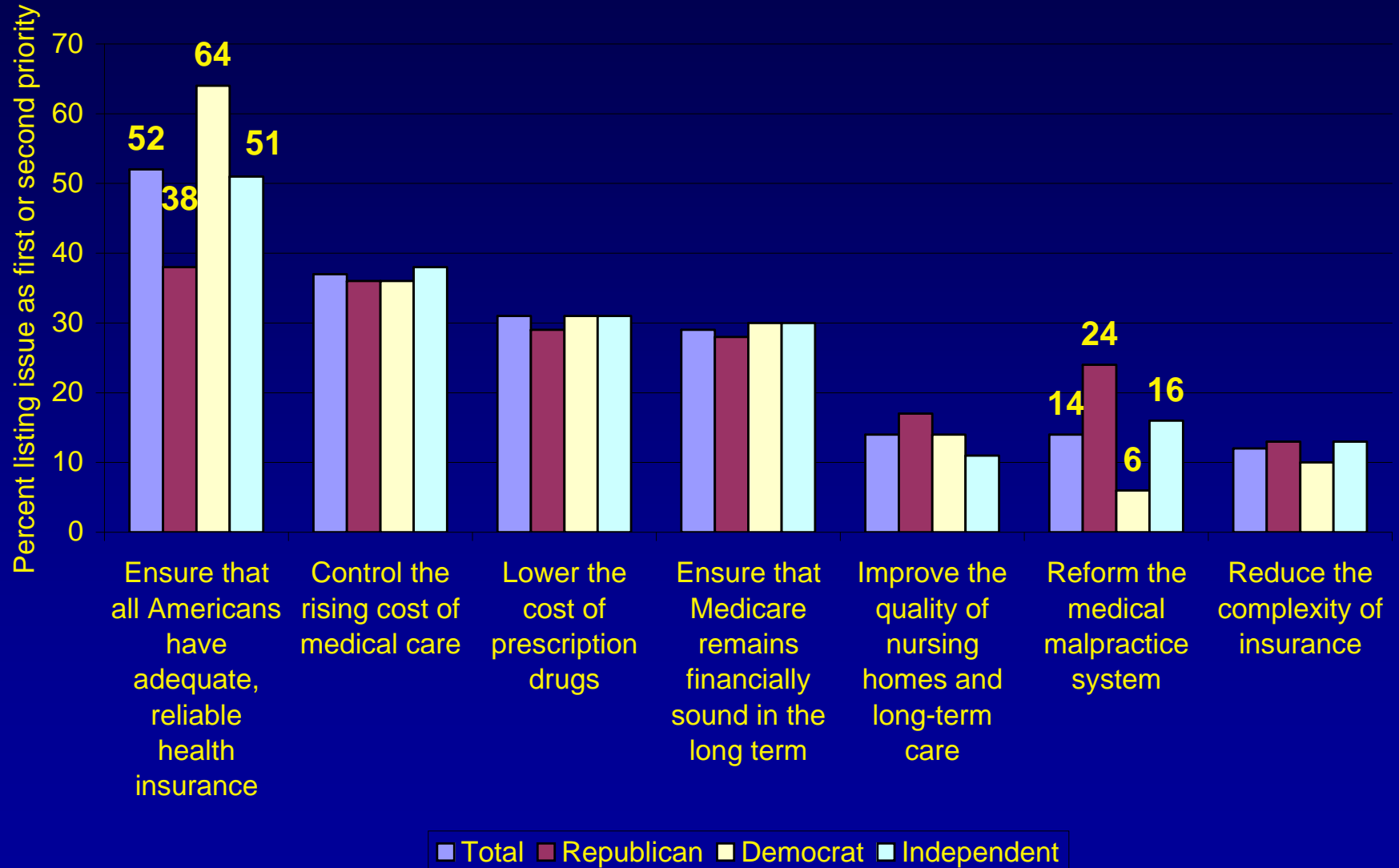
SOURCE: Hadley, Jack. "Sicker and Poorer – The Consequences of Being Uninsured: A Review of the Research on the Relationship between Health Insurance, Medical Care Use, Health, Work, and Income," *Medical Care Research and Review* (60:2), June 2003.

Financial Burden of Medical Bills

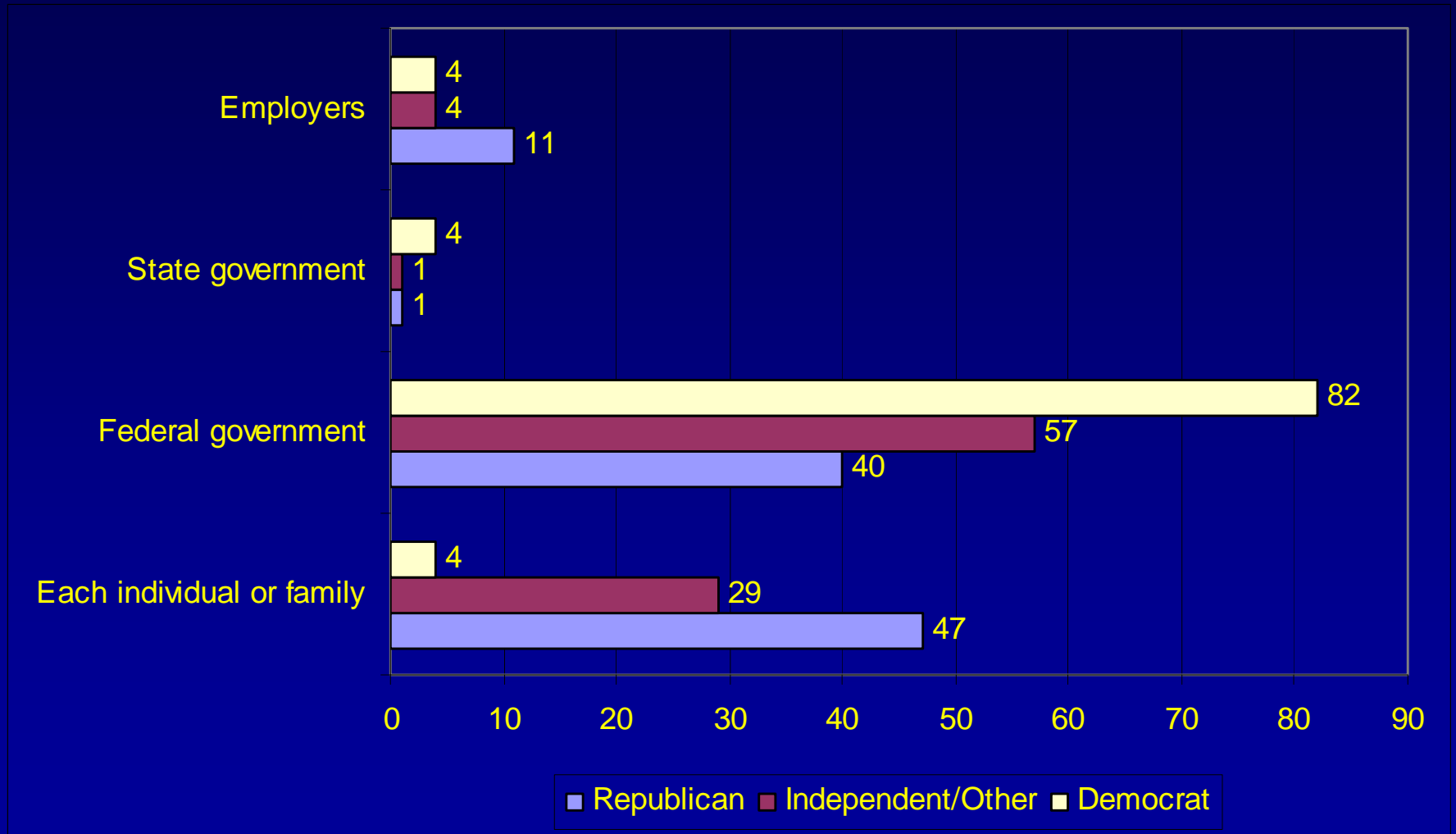
Percent Experiencing in past 12 months



Public Opinion and Health Care Reform Priorities



Who Should Be Primarily Responsible for Making Sure All Americans Have Health Care?

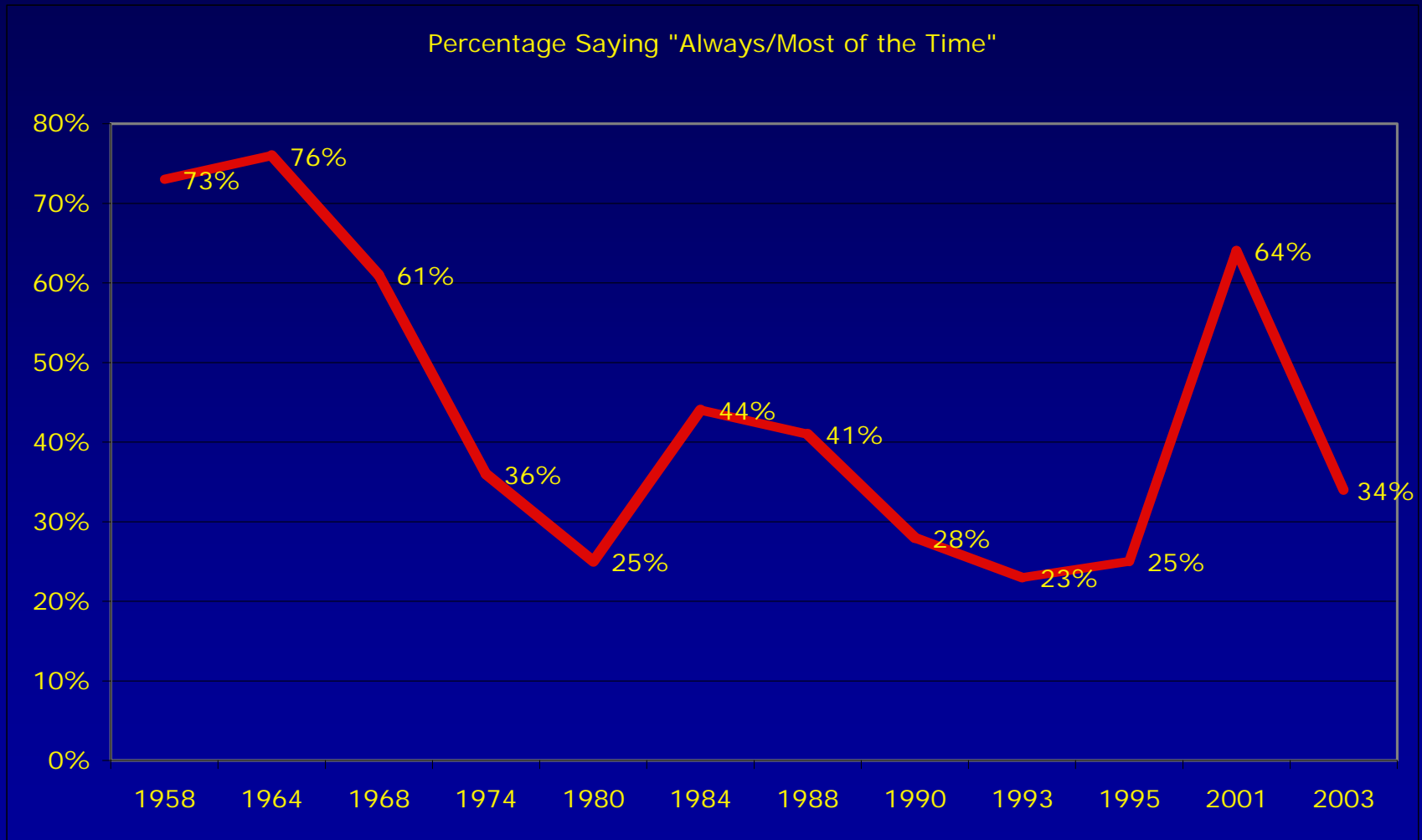


Source: Harris Interactive Poll, 2007; "Other/No one" and "Not sure" not shown

Then why do reform efforts fail?

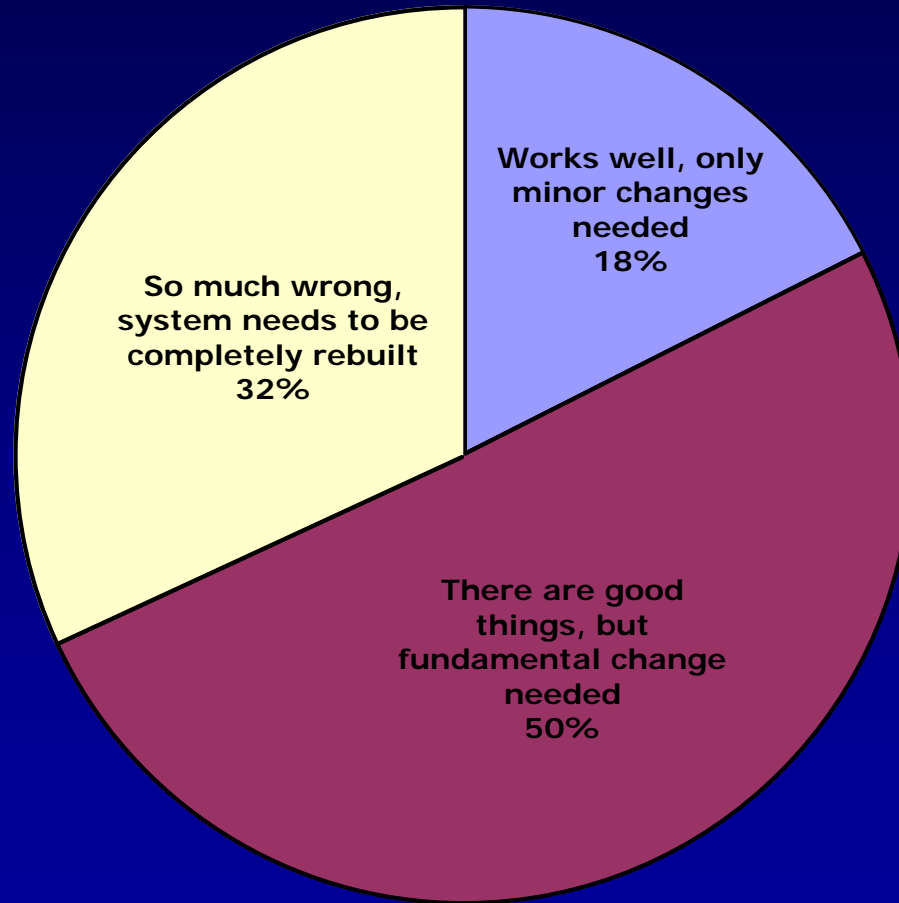
- American political institutions are biased against large scale reform (diffuse power, veto points)
- Influence of interest groups in the decision-making process (build themselves into the system)
- Strategic errors, e.g., Clinton Health Plan 1993
- Americans distrust government and low willingness to sacrifice
- Uninsured are a dynamic, unorganized group

Trust in Federal Government to “Do the Right Thing”

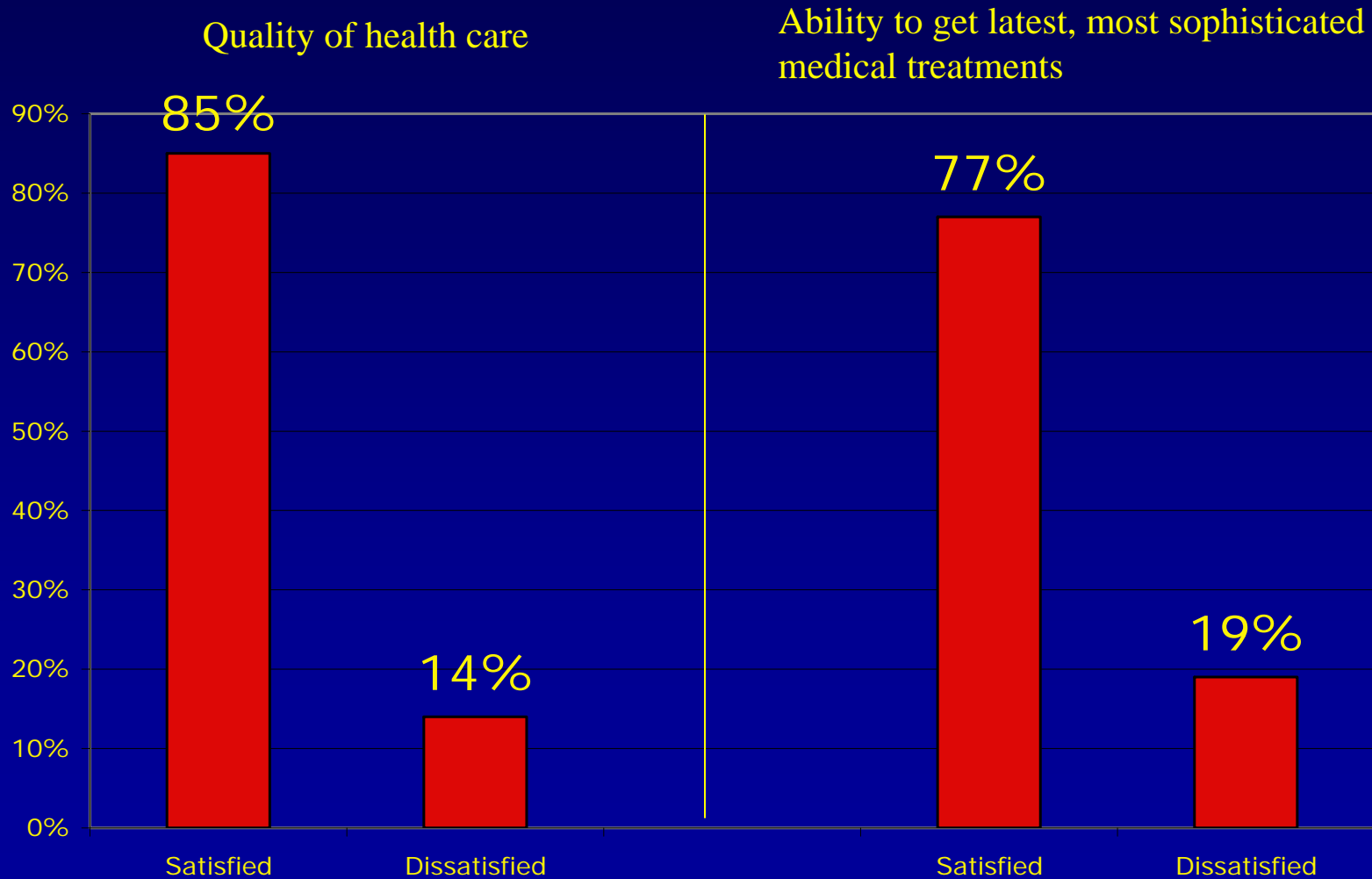


Source: ABC News/Washington Post and NPR/Kaiser/KSG Surveys

Most Americans believe that the U.S. health care system needs to be fundamentally changed

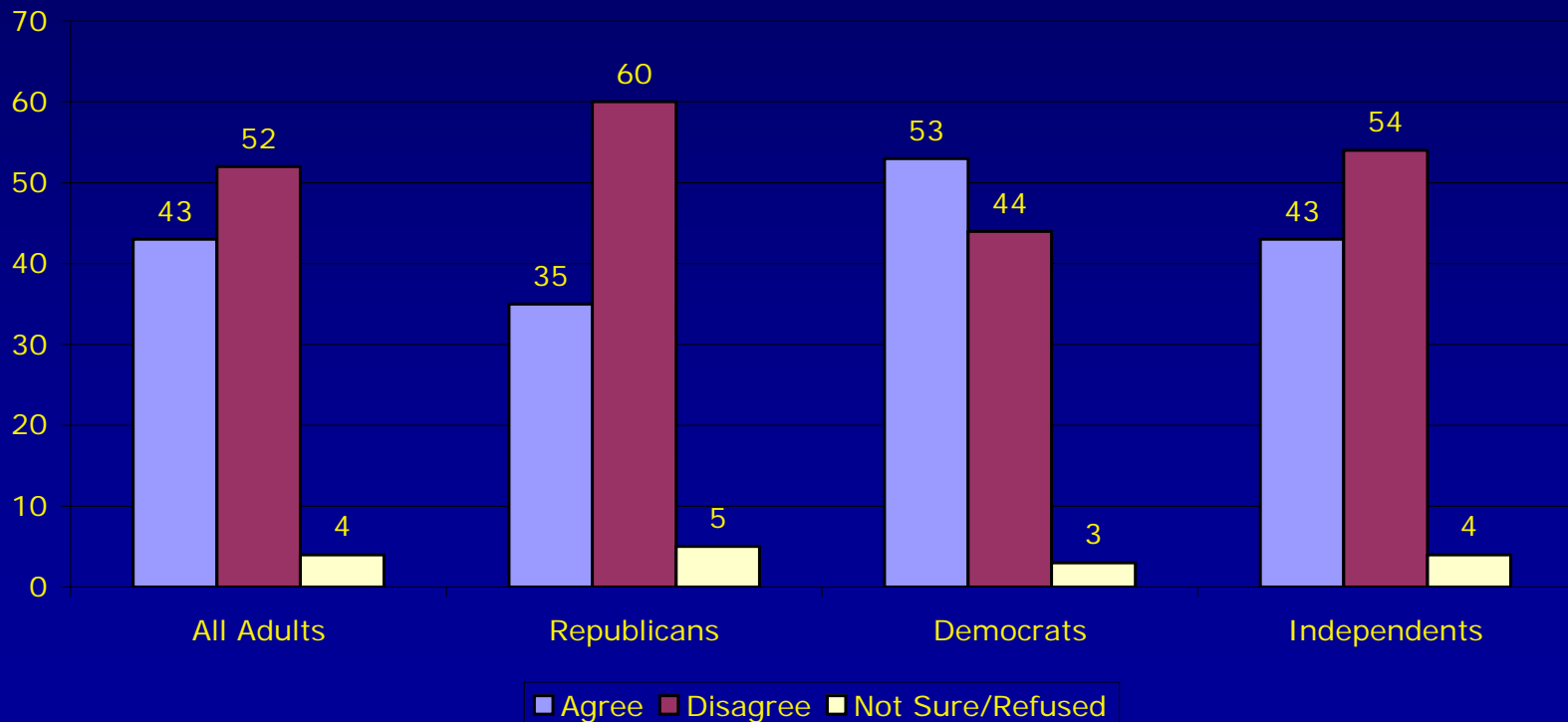


...but are generally satisfied with their personal health care arrangements

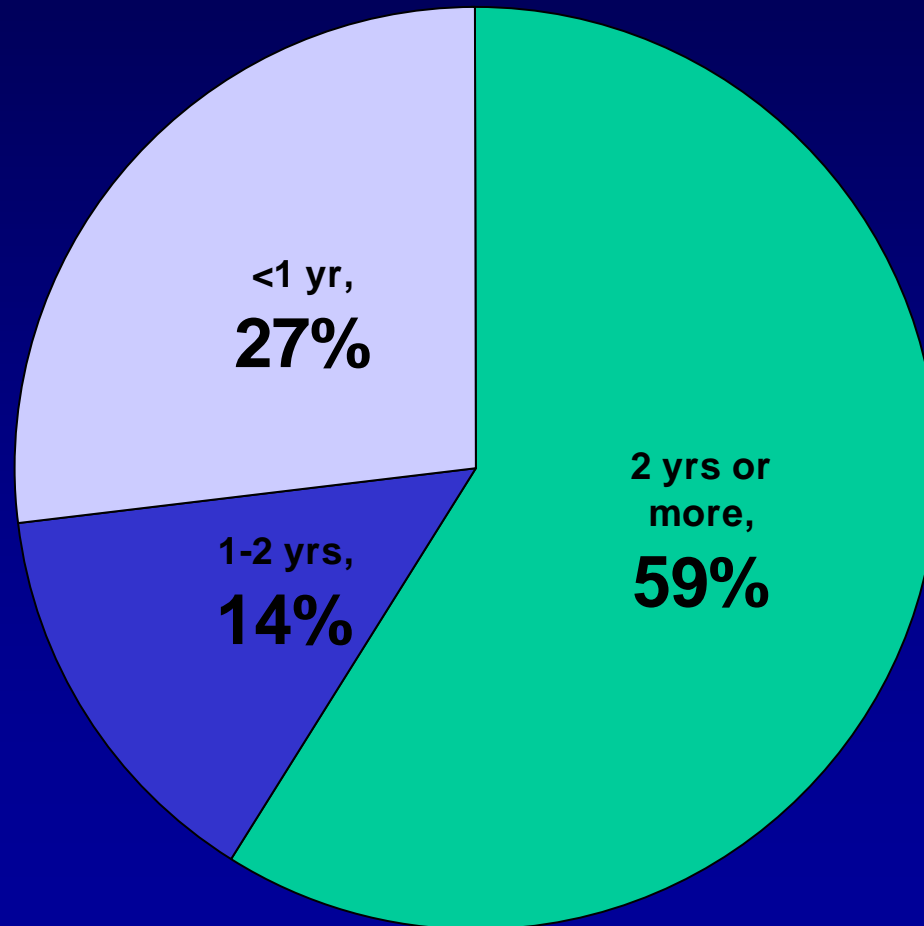


...and are not willing to contribute financially to insurance expansion

If the only way to make sure that everyone gets the health care services they need is to have a substantial increase in taxes, we should do it

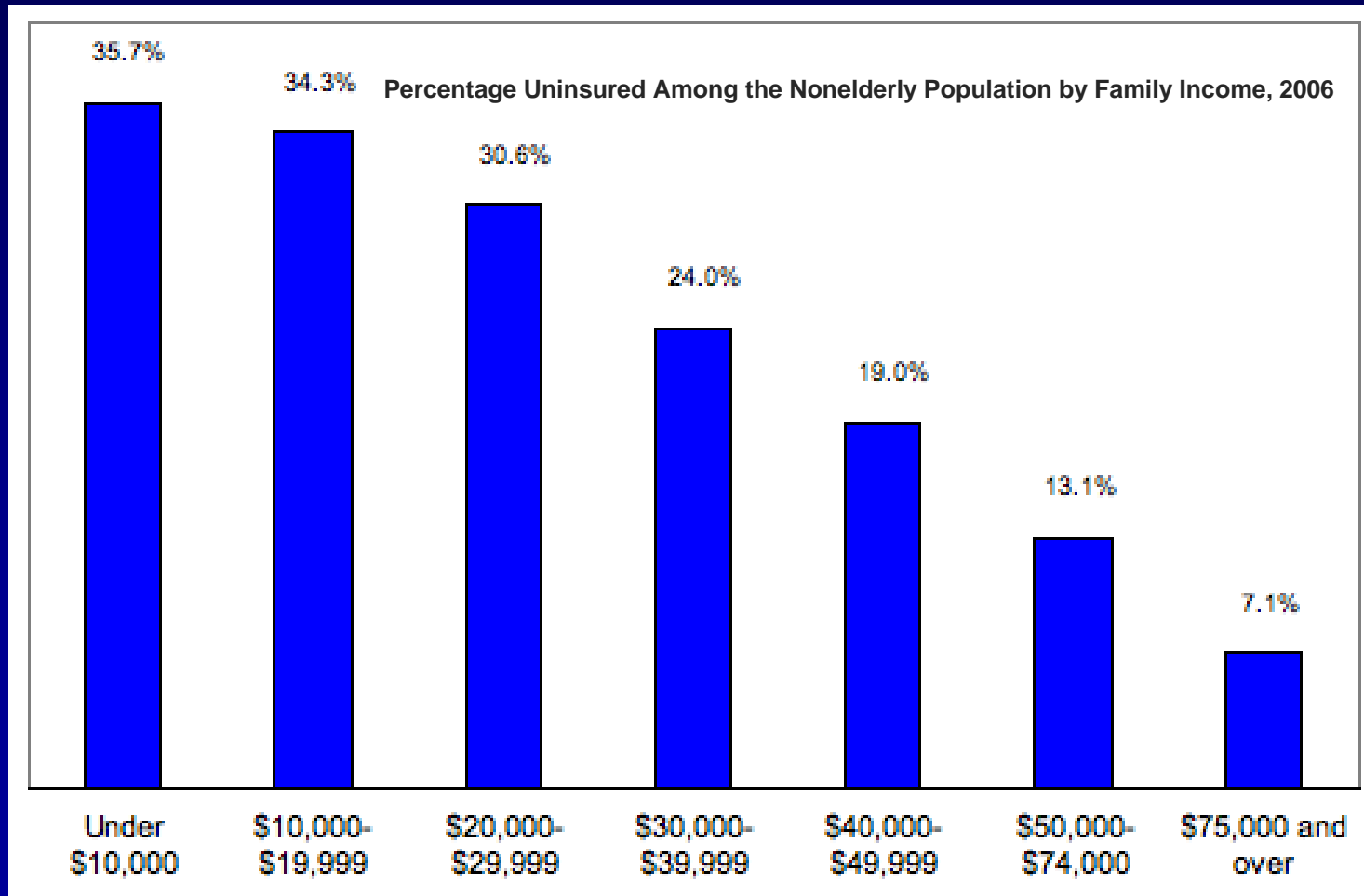


Another Challenge: The Uninsured are a dynamic group



Source: Kaiser Family Foundation, Kaiser 2003 Health Insurance Survey

...with little political influence
(unorganized and don't vote)



Employee Benefit Research Institute estimates from the March Current Population Survey, 2007

Interest Groups: Maintaining the Status Quo

<http://www.youtube.com/watch?v=Dt31nhleeCg>

“Spillover Effects”

- “High rates of community uninsurance can impact access to health care and, ultimately, population health for the insured”
- “Real spillovers only require that the uninsured demand a lower quantity and quality of health care than the insured and that the provision of health care is not perfectly segmented by insurance status”

Hypothesized Mechanisms: Community Uninsurance and Lower Quality for the Insured

- Lower demand, lower supply (especially for more specialized services)
- Increase price of health care discourages use by insured (especially for outpatient care)
- High costs of quality differentiation and imperfect segmentation mean that uninsurance impacts insured

Evidence: Community Uninsurance and Quality of Care

- Insured patients report more “unmet medical needs” (Pagan and Pauly, 2006)
- Insured women less likely to have a mammogram (Pauly and Pagan, 2007)
- Overcrowding of hospital emergency departments (Derlet, 2002)
- Closing of hospital trauma services (Selzer et al. 2001)
- Reduction in specialty care services (IOM 2003)
- Physician relocation (Ormond, Wallin, Goldenson, 2000)

How feasible will it be to generate public support for comprehensive health care reform by emphasizing the presence of “spillover effects”?

New Research Directions

- Stronger causal inference (address potential confounding) using longitudinal data
- Technical quality measures
- Messaging and voting experiments (framing)

Thank You

