



Report to Congress

June 2009

HEALTHCARE REFORM: AN AMERICAN VALUES IMPERATIVE

**Supporting individual quality of
life and American business
competitiveness through
healthcare reform**

**U.S. Women's Chamber
of Commerce**
1200 G Street, NW
Suite 800
Washington, DC 20005
888-41-USWCC
www.uswcc.org



The U.S. Women's Chamber of Commerce™ unifies the collective strength of women and small businesses to leverage our position as the most influential economic force in America. With over 500,000 members, the USWCC advances economic opportunities for women across America.

Contents

Letter Page 3

Introduction Page 4

Situation Analysis Page 5

Women, Labor Force, Families Page 7

Small Business, American Competitiveness
and the U.S. Economy Page 9

Access to Affordable Healthcare
Should Be a Right - Not a Privilege Page 11

Recommendations Page 12

Sources Page 15

U.S. Women's Chamber of Commerce

1200 G Street, NW, Suite 800
Washington, DC 20005

June 23, 2009

The Honorable Nancy Pelosi
Speaker
US House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The U.S. Women's Chamber of Commerce delivers this report to Congress with a great sense of urgency. Representing our over 500,000 members (over three-quarters of whom are small business owners), we call upon Congress to take swift and strong action to reform the American healthcare system through promoting competitiveness, transparency, choice, affordability, shared responsibility and flexibility.

For more than a decade the American healthcare system has been careening towards a complete collapse reducing our quality of life, suppressing business growth and international competitiveness, and threatening our country's security. Over the last weeks, months, and years, our members have told us of the fears, frustrations, and financial hardships they have experienced as a result of our failed healthcare system.

One-third of all businesses in the United States are women-owned. And, as women-owned firms are generally smaller than male-owned firms, the huge and ongoing rise in the cost for healthcare has had a tremendously negative impact on women business owners, their employees and families. We hear from our members daily that they support bold action to reduce costs, the flexibility to allow small businesses to pool resources to drive down costs, the creation of Health Insurance Exchanges and a government lead public plan to keep insurance carriers rate competitive, and to provide choice and affordability.

This report details how women are at special risk for abuse, lowered quality of life, and the suppression of business growth due to our American healthcare system's shortfalls and provides strong recommendations for reform from the U.S. Women's Chamber of Commerce.

During this time of great challenge and opportunity, our members call upon you to lead us with passion, vision and a strong commitment to the individuals you serve. Your constituents are the American people. We call upon you to act now to support our quality of life, our business competitiveness, and our national security through the passage of strong healthcare reform legislation.

Respectfully,



Margot Dorfman, CEO
U.S. Women's Chamber of Commerce

Introduction

Support individual quality of life and American business competitiveness through urgently needed healthcare reform

The U.S. Women's Chamber of Commerce is the leading voice in support of the economic growth and security of American women - both through fostering opportunities for financial advancement and through protecting quality of life for women and families where economics play a significant role.

Very few modern day economic issues more directly impact both economic advancement and quality of life for American women than healthcare reform.

The gross failure of the American healthcare system has left women's businesses struggling for cash and competitiveness and have left women and their families (especially single mothers, self-employed women, and minority women) sacrificing health and quality of life as they simply try to make ends meet.

Healthcare reform is vital to supporting quality of life and American business competitiveness.

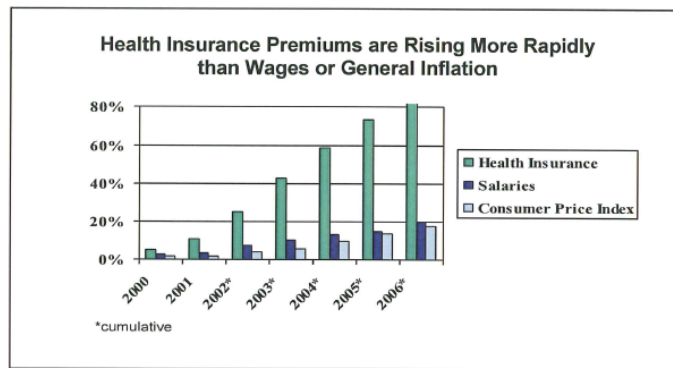
Situation Analysis

The explosion in healthcare costs is part of our broader systemic collapse

The explosion of healthcare costs, failure to instill transparency in the healthcare system and the inability of American's to afford basic health care insurance is part of the current broader systemic business and financial collapse fueled by unwarranted and oversized growth of executive compensation, shadow banking, credit card fee and rate escalation and other spurious financial manipulation that has nearly ground America's economy to a halt.

Health insurance premiums for businesses have increased much faster than inflation and wage growth

Over the last nine years health insurance premiums for businesses have increased nearly five times faster than inflation and four times faster than wage growth. ¹



Source: Kaiser Family Foundation, 2006 Employer Health Benefits Survey

The healthcare industry does not share the values and objectives of the American people

The healthcare industry (driven by large hyper-profit driven corporate insurance carriers) does not share the values and objectives of the American people - to provide an effective method to manage risks through the pooling of participants, to have a healthcare system that provides quality care efficiently and effectively, to effectively serve those with long term health issues, to provide transparency and true choice to the consumer. Instead, healthcare is now driven by large insurance companies whose objectives are very straightforward - profits above all else.

Insurance companies do not seek to provide effective solutions for those with long term or complicated healthcare needs because individuals with health problems might be drawn to the carrier driving down their profits. Transparency is avoided to assure corporate control of healthcare and consumers are prevented from performing real comparative shopping of treatments or therapies thereby obliterating any true consumer-directed health solutions.

Our quality of life has been hijacked by corporations placing profits above people

Our quality of life has been hijacked by the hyper-capitalism of corporations seeking profits above all – regardless of the cost to our quality of life. As consumers, as voters, and as Americans – we must take back control of the care for our most basic possession, ***our own lives***. We, the voters, decide how America is run - not corporate executives. It is time for American's to step up and stop the abuse of our health through comprehensive healthcare reform.

Women, Labor Force, Families

Women are at special risk

Women are at special risk for abuse and lowered quality of life due to our American healthcare system's shortfalls. Alarming, even though between 1980 and 2005 the percentage of women in the full-time labor force grew from 33.4% to 48.6% the percentage of uninsured women grew from 11.7% to 18.2%.² And generally women face higher costs when securing health insurance due to lower workforce and full-time workforce participation than men (52% vs. 73%). Less than half of women have the option of securing employer-based coverage of their own.³

Single women are twice as likely to be uninsured than married women (24% versus 12%). Low-income (41%), single mothers (26%), and Latina women (37%) are of particular risk of being uninsured (national average for women is 18.2%).⁴

And women face much harder circumstances than men when facing long-term care needs. For example, the profile of women facing long-term care needs include: 49% of incomes of less than \$20,000 annually, 39% are living alone, and 46% are widowed.

Over the Last 25 Years the Percent of Uninsured Women Has Grown²

Women Age 25–64, 1980–2005

Year	Women in Labor Force	Women Uninsured
1980	33.4%	11.7%
2005	48.6%	18.2%

Source: "Women's Health Insurance Coverage 1980-2005," Women's Health Issues, Jan./Feb. 2008

Disparities place women at significant risk for health related physical and financial stress

The disparities women face place them at significantly greater risk for health related physical and financial stress. Women report that 31% of their families have put off or postponed getting needed healthcare, 25% didn't fill a prescription, 25% cut pills or skipped doses of medicine, and 10% had problems getting mental healthcare.⁵

Women report that 31% of their families have put off or postponed getting needed healthcare.

Small Business, American Competitiveness and the U.S. Economy

Small businesses are suffocating

Small businesses are suffocating under the weight of rising healthcare costs. And, as women-owned firms are generally smaller than male-owned firms, women business owners, their employees and families are facing severe challenges as healthcare costs continue to escalate.

As of 2006, there are an estimated 10.4 million privately-held businesses in which a woman owns at least 50% of the company. Among these firms, 7.7 million are majority-women-owned.⁶ Over 98% of women-owned firms are small (only 1.8% of women-owned firms have receipts of \$1 million or more).⁷

Fewer and fewer small businesses are offering insurance. Between 2000 and 2007, the percentage of small businesses offering coverage dropped from 68% to 59%.⁸ Half of workers in small firms that do not offer health benefits are uninsured.⁹

Rising healthcare costs are causing small businesses to drop healthcare coverage

The driving force behind the diminishing number of small businesses offering health insurance is rising costs. Over the past nine years, health insurance premiums for businesses have increased nearly five times faster than inflation and four times faster than wage growth.¹⁰ Premiums for employers have grown by 120% since 1999.

The byproduct is lower outputs, less job growth, suppressed wages, and employer discrimination

The net result to our American economy caused by the explosion in healthcare costs is lower outputs, less job growth, less innovation, suppressed wages, and probable employer discrimination.

High health insurance costs are forcing employers to delaying wage growth, hiring, capital spending, product development and marketing thereby suppressing business growth.

Many members of the U.S. Women's Chamber of Commerce report that health insurance company's discrimination policies, which allow insurers to either grossly raise insurance costs or deny insurance altogether for older workers or workers with health conditions, puts business owners in the awkward position of unlawfully considering age and disability when hiring and retaining workers to keep their health insurance premiums down.

Total healthcare spending represents over 17% of the U.S. gross domestic product

In 2008, total national health expenditures were expected to increase 6.9% -- two times the rate of inflation.¹¹ Total spending was \$2.4 TRILLION in 2007, or \$7,900 per person.¹² Total healthcare spending represented 17% of the gross domestic product (GDP). U.S. healthcare spending is expected to increase at similar levels for the next decade reaching \$4.3 TRILLION in 2017, or 20% of GDP.¹³ Healthcare spending is 4.3 times the amount spent on national defense.¹⁴

Our health care system is economically unsustainable

Our health care system is economically unsustainable. The sheer weight of healthcare spending in America puts our standard of living, business competitiveness, and national security in jeopardy. Our healthcare crisis is an economic wrecking ball creating more and more damage to our businesses and lives every day. It makes good business sense - good economic sense - to curb the unbridled hyper-capitalism that is severely weakening our businesses and our economy.

Access to Affordable Healthcare Should Be a Right - Not a Privilege

It is time for
action to put
America back on
the right path, to
put our values
back in place

Our most basic need in life is life - a good quality of life. Good physical and mental health are essential elements of a good quality of life. America has a great history of embracing both freedom and personal rights, and economic growth and capitalism. However, today our country does not have the right balance between quality of life and capitalism. After a decade of simply hoping for improvement, it has become clear that American's want - no, Americans demand - our elected leaders to step in and make bold change.

American's know that access to affordable healthcare should be a right - not a privilege. It is time for action to put America back on the right path, to put our values back in place.

Recommendations

Healthcare reform is an American Values Imperative

Just as our elected leaders are addressing bold changes to the structure, government involvement, and oversight of our financial system, we must also boldly address deep changes to our healthcare system.

The solution to our healthcare crisis will also require changes to the structure of the market and delivery of services, government involvement and oversight. Unbridled hyper-capitalism has wreaked havoc on our quality of life, economy, and security.

It is an American Values Imperative that our government leaders act to restructure our American healthcare system to place a higher emphasis on our quality of life and our broader business competitiveness.

The U.S. Women's Chamber of Commerce supports the following recommendations for healthcare reform:

Affordability

Affordability: Access to affordable healthcare is a right, not a privilege. Affordability must be achieved. Incentives should be put in place to drive affordability.

Quality and Equality

Quality and Equality: All American's should have the right to guaranteed, affordable, quality health care without discrimination for age, gender, ethnicity, economic level, region, and health status. Healthcare reform should end healthcare discrimination and better pool risk to even out costs and guarantee coverage.

Accountability and Information

Accountability and Information: The American healthcare system must be accountable to the payers. Health outcomes, treatment cost/benefit options, billing, and transparency are essential elements of healthcare reform. Information technology should be employed to easily hold, transport and communicate health records.

Coverage, Choice and Flexibility

Coverage, Choice and Flexibility: All American's should have the right to guaranteed, affordable health insurance coverage without discrimination for age, gender, ethnicity, economic level, region, and health status.

We should have a minimum, essential health insurance coverage standard and all Americans should be required to secure this minimum or more.

Health Insurance Exchanges should be organized to provide offers that at least meet the minimum, essential standard and provides details of coverage options in clear language with easy to compare features and costs.

Small businesses should be allowed to obtain coverage at negotiated bulk rates through purchasing pools.

Individuals who change employers should have the right and flexibility to keep their existing coverage without significant increases in cost.

A Government Lead Plan to Foster Competition

American's should also have the choice of a robust government lead public plan to take on the insurance carriers, provide vigorous competition, and assure all Americans have access to affordable healthcare.

Shared Responsibility

Shared Responsibility: All Americans must commit to share in the cost and responsibility for health care coverage. Businesses with over 50 employees should be encouraged and incentivised to provide a minimum level of health insurance coverage for their employees, by committing to pay 25% or more of the coverage for the employee, and should have equal access to coverage through a government run public plan and through Health Insurance Exchanges.

Businesses under 50 employees should receive tax incentives to provide coverage and should receive access to coverage through a government run public plan, and through Health Insurance Exchanges.

Individuals should commit to have a minimum level of health insurance - with hardship waivers available for those who have lost their jobs, have disabilities, or have earnings less than \$20,000/year (with sliding requirements depending on family status and children).

Preventive Medicine and Health Promotion

Preventive Medicine and Health Promotion: Our health care delivery system should emphasize health promotion and disease prevention benefits and programs.

Control Costs

Control Costs: Several cost control measures should be implemented including: increased use of technology to track and maintain health records; provide public health options; prevent waste, fraud and abuse; promote personal responsibility and wellness; modernize and improve Medicare; simplify administrative procedures.

Sources

1. The Henry U. Kaiser Family Foundation. Employee Health Benefits: 2008 Annual Survey. September 2008. <http://www.kff.org/insurance/7672/upload/EHBS-2007-Full-Report-Pdf.pdf>
2. S. Glied, K. Jack, and J. Rachlin, "Women's Health Insurance Coverage 1980-2005," *Women's Health Issues*, Jan./Feb. 2008 18(1):7-16. Data: Analysis of CPS March Supplements.
3. Center for Financing, Access and Cost Trends, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 2006.
4. Current Population Survey, 2007.
5. Kaiser Health Tracking Poll (February 2009)
6. Center for Women's Business Research. "Biennial Update on Women-Owned Businesses," 2004.
7. SBA Office of Advocacy. "Women in Business: 2006. A Demographic Review of Women's Business Ownership," 2007. <http://www.sba.gov/advo/research/rs280tot.pdf>
8. Kaiser Family Foundation, Employer Health Benefits 2008 Annual Survey, (Menlo Park, CA: Kaiser Family Foundation, 2008).
9. Center for Financing, Access and Cost Trends, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 2006.
10. The Henry U. Kaiser Family Foundation. Employee Health Benefits: 2008 Annual Survey. September 2008. <http://www.kff.org/insurance/7672/upload/EHBS-2007-Full-Report-Pdf.pdf>
11. Keehan, S. et al. "Health Spending Projections Through 2017," *Health Affairs Web Exclusive W146*: 21 February 2008.
12. Ibid.
13. Ibid.
14. California Health Care Foundation. Health Care Costs 101 -- 2005. 02 March 2005. <http://www.chcf.org/>

U.S. Women's Chamber of Commerce

The U.S. Women's Chamber of Commerce™ unifies the collective strength of women and small businesses to leverage our position as the most influential economic force in America. With over 500,000 members, the USWCC advances economic opportunities for women across America.



U.S. Women's Chamber of Commerce

1200 G Street, NW, Suite 800

Washington, DC 20005

888-41-USWCC

www.uswcc.org
