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A Study by the League of Women Voters of the Houston Area Education Fund

In keeping with the mission of the League of Women Voters of influencing public policy through education and advocacy, the Houston area health care committee compiled this information about the current status of health care in the Houston region.

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Health Care Issues in the Houston Metropolitan Region

The Texas Medical Center. DeBaakey. Cooley. These are just a few of the medical stars that are associated with superior health care in the Houston metropolitan area. From distances throughout the world, people travel to Houston to seek the exceptional quality of health care services offered through the city's extensive array of specialists, cutting-edge research and technology second-to-none. Yet with the best medical care available in their backyard, an alarming number of Houston area residents are uninsured and unable to obtain proper health care services even at the basic level. Statistics, theories and opinions about the state of the region's health care services may vary somewhat, but a consistent factor remains:

The Houston area's public health care system is in crisis.

Today's Status of Health Care

▪ United States

While the aforementioned changes are certainly noteworthy, health care costs in the Houston area and throughout the United States have escalated dramatically. Throughout the nation, health care costs have risen faster than salaries and the inflation rate for all services. Health insurance premiums have risen sharply and the vast majority of employers have increased the employee portion of the cost of health insurance while many employers have dropped health care coverage altogether. Consider that as recently as 1998, employees paid an average yearly cost of \$630 in health insurance premiums. In 2004, the

Background ▪ In 1978, the Houston League studied health care and reached consensus on several objectives. Since then, the Texas League of Women Voters has reached consensus on several health care positions including support for a basic level of health care for the medically indigent (1986) and a comprehensive continuum of health care for older Texans (2001). Some of the changes advocated through the local consensus positions have been incorporated into the current system of health care services. For example, pre-paid group practices through health maintenance organizations and preferred provider organizations offer cost-controlled health care for many. An increased number of outpatient procedures have reduced costs in some instances. Furthermore, there are now many categories of para-professionals providing different levels of health care services that are more accessible and less costly.

yearly premium cost rose to \$1,565, causing many to drop their health insurance because they cannot afford the premiums.¹ In a similar trend, employees paid an average \$385 per year in out-of-pocket costs not covered by their insurance in 1998 and today's out-of-pocket cost averages \$1,030.² The increase in out-of-pocket costs has put families in debt and some in bankruptcy. In turn, medical providers are experiencing a significant increase in bad debts, which exacerbates the escalation of health care costs as hospitals try to stay solvent.

Did you know?

- A recent report estimates that 1.1 million Harris County residents are uninsured.
- The need for elder care will dramatically increase in coming years. It is estimated that by 2040 there will be 985,000 individuals over 65 in Harris County – *triple* the number in the county today.
- Gateway to Care's 24-hour telephone triage service – Ask Your Nurse – is a free service allowing residents to ask urgent health care questions, which may eliminate an unnecessary visit to an emergency center. Call 713.633.CALL (2255).

▪ **Texas**

On a state level, Texas may lead the way in medical advances but it is unfortunately also a leader in residents without health insurance and subsequently basic health care. According to the U.S. Census Bureau in 2002, Texas has the highest uninsured rate in the nation. 74.2% of all Texas residents are covered by private or government health insurance in comparison to 84.8% of all Americans.³ In other words, over a quarter of Texans do not have health insurance. While some may argue that a higher level of uninsured residents is the result of an economic downturn (the percentage of the state's population living at the poverty level or below increased from 2000 to 2003 according to the U.S. Census Bureau), an increasing number of employed residents do not have coverage. According to one report, more than 43% of Texans younger than 65 lack insurance,

even though most of these residents of working age are employed.⁴ Another study states that employed Texans have a 25% chance of being uninsured.⁵ Due to the fact that Texas is a "young" state – the U.S. Census Bureau reports that the average population of Texas is younger than that of the nation – this is especially disconcerting.⁶

Perhaps with even more long-term implications is the high rate of the uninsured among the Hispanic population, which is a large proportion of the total population in Texas as well as the fastest growing demographic group. In 2002, only 56% of all Hispanic Texans were insured.⁷ In addition, contrary to popular belief, the high uninsured rate is not due to Texas' sizeable foreign-born residents. Non-citizens, both legal and undocumented, comprise less than one-fourth of the uninsured in Texas.⁸

▪ **Harris County Area**

Closer to home, the status of health care in the Houston metropolitan region is even more dismal. In 2002, 25% of the Harris County population was uninsured.⁹ A recent report by the Greater Houston Partnership's Public Health Task Force states that the uninsured is now at an estimated 1.1 million Harris County residents, or 31.4% of the county population compared to the nation's uninsured rate of 16%.¹⁰ Regarding the Hispanic population, a majority – 52.1% – are without health insurance in Harris County.¹¹

fastest growing segment of the uninsured population is the middle class with the number of people with inadequate coverage growing substantially. They also estimate that the "underinsured" in Harris County now numbers 500,000.¹⁴ In other words, half a million of the insured are without coverage for specific services needed. For example, consider the estimate that 50% of people who have insurance have little or no mental health coverage.¹⁵

Categorizing by age, the 29 and younger bracket in Harris County is the most likely to be uninsured.¹² Considering that the population of Harris County is younger than the national average and more likely to be Hispanic, these demographics will continue to dramatically impact public health services. Consistent with what we see at the state level, the uninsured is not only comprised of the unemployed. In Harris County, the majority of the uninsured are the employed and their dependents, with approximately 43% with family incomes below \$40,000.¹³ Furthermore, the Greater Houston Partnership Public Health Task Force contends that the

It should also be noted that although the Houston area population may be younger than the national average, the area still has a sizeable older population so elder care services are also a concern. For example, there are currently 10,205 clients receiving various elder care services in Harris County from the Texas Department of Human Services and as many as 14,349 others have expressed a desire for such services.¹⁶ Moreover, the need for elder care will not decrease but dramatically increase in coming years. It is estimated that by 2040 there will be 985,000 individuals over 65 in Harris County – *triple* the number in the county today.¹⁷

Delivery of Health Care Services in the Houston Area

According to the U.S. Census Bureau, the Houston/Harris County area continues to be one of the nation's fastest growing regions. Unfortunately there is also strong growth in the number of uninsured residents. As an ever-increasing percentage of the population finds themselves without health insurance or unable to pay insurance deductibles, they turn to public health care providers at a time when state and federal health care dollars are shrinking. In Harris County, there are five public providers, also called "safety net providers": City of Houston Department of Health and Human Services, Harris County Public Health and Environmental Services, Harris County Hospital District, Harris County Mental Health and Mental Retardation Authority, and the Harris County Psychiatric Center. The city and county health departments offer a full range of traditional public health programs which expends approximately \$1.5 billion annually.¹⁸ Yet this substantial expenditure still does not meet the demands of the county's population with one recent estimate declaring that the current public health care providers meet less than 1/3 of the demand.¹⁹

Not only is the Houston metropolitan area's population growing but it enjoys one of the most diverse populations in the nation. According to data from the 2000 Census, there is not a single racial/ethnic group that designates a majority in the Houston-Baytown-Sugar Land metropolitan statistical area (MSA). In 2000, Anglos made up 49 percent of the area population with all others combined constituting 51 percent. Using different scenarios with data from the Texas State Data Center, Hispanics are projected to outnumber Anglos in this region as early as 2015.²⁰ Additionally, the Asian and South Asian communities will continue to grow. Such a diverse population leads to an increased demand for bilingual health care services. In the Houston area, services provided in Spanish and Vietnamese are especially needed. And language is only one component of meeting the demands of a diverse population. Health care providers must also be cognizant of cultural differences. For example, some within the Asian community may turn to alternative remedies. Knowledge of such alternative practices is helpful when adequately serving this population.

In addition to language and cultural barriers, access to care in the Houston area is limited by its lack of primary care clinics. According to the Lewin Report, it is estimated that current primary capacity in hospital and community-based clinics is only meeting about half of the estimated demand.²¹ For example, Montgomery County is the only Houston area county other than Harris County with a hospital district. Lack of capacity leads to lengthy waits in clinics that do not offer evening or weekend hours. In many cases, the locations of the existing facilities are not optimally placed geographically, which creates another barrier for many, particularly the uninsured that may rely on public transportation.

One step in increasing accessibility to health care in the Houston area is the creation of additional Federally Qualified Health Centers (FQHCs). FQHC is a federal designation from the Bureau of Primary Health Care and the Center for Medicare and Medicaid Services that is assigned to private non-profit and public health care organizations that serve predominately uninsured or medically underserved populations. Their mission is to improve the

health status of the underserved by providing comprehensive primary health, dental, mental health, and substance abuse services to all people regardless of ability to pay.

Without options such as FQHCs or other public health care clinics, an increasing number of people without insurance are turning to emergency rooms for primary care. A recent study found that over half of current uninsured and Medicaid visits are inappropriate, but adequate community-based primary care and other capacity are unavailable.²² If the current emergency room usage continues in the same manner, one study estimates that inappropriate use will grow from 355,393 visits in 2002 to 490,835 in 2015.²³ Experts contend that emergency usage for non-emergency illnesses is already putting near catastrophic stress on area hospitals – imagine the consequences of an additional 135,000 visits.

The issue of hospitalization is more than just a problem with non-emergency use in emergency departments. Insured people usually choose between fee-for-service care and some variation of managed care such as health maintenance organizations or preferred provider organizations, with most of the elderly covered by Medicare. When hospitalization is needed, they are usually treated in private facilities which are classified as for-profit or not-for-profit, while the medically indigent may be treated in a public facility such as Ben Taub Hospital. Although public facilities are usually termed "charity hospitals," private facilities are credited with providing charity care by providing care to indigent patients or patients covered by government-sponsored indigent health care (Medicaid). In fiscal year 2000, of the 18 Houston area facilities with a case load consisting disproportionately of the above, 3 were public, 9 were private not-for-profit, and 6 were private for-profit.²⁴

Of course primary care and hospitalization are just part of the public health care equation. Public health care for mental health disorders, mental retardation and developmental disabilities, drug and alcohol addictions, and other chronic diseases such as HIV-AIDS are also woefully under-funded leading to very limited accessibility and less than quality care. Due to this report's comprehensive nature and its length limitations, these needs cannot be fully discussed here. However, for a quick glimpse of some of the problems, consider the following: 1) The Mental Health Mental Retardation Association of Harris County has a service capacity of 8800 adults yet served 15,316 in 2003. 2) The targeted population for mental health services solely consists of adults who have a diagnosis of schizophrenia, bipolar disorder, and severe major depression. 3) Mental retardation affects approximately 2.5% of the national population, and Harris County has a total population of 3,400,578. Therefore it is logical to estimate that approximately 85,014 Harris County residents have some form of mental retardation. 4) It is estimated that 780,520 people in Harris County have alcohol or substance use problems. 5) There have been 22,084 AIDS cases reported in the Harris County area since 1981 including 9,247 current residents living with AIDS.²⁵ The prevalence of these diseases and others illustrate the need not only for an increase in primary care options in the Houston area, but increased availability for care for chronic diseases at primary care clinics as well.

Immediate Need for Joint Planning and Coordination

The public health care system in the Houston area is what the Greater Houston Partnership has called a “fragmented delivery system.” There are five public health agencies managed by the City of Houston and Harris County as well as county health departments in neighboring counties. Although the proximity of the departments is close, the collaboration is not. Much of the work overlaps causing a duplication of efforts in an environment where resources are exceedingly short. And the lack of formal coordination leads to more than just duplicate services. The various departments often find themselves competing for the same federal and state grants causing obstacles for all departments. According to one report, some entities are returning unspent grant money while at the same time others are providing services covered by that grant without reimbursement.²⁶

In addition to the inefficient use of resources, the lack of coordination also affects the area of consumer input and education. A formal referral system currently does not exist, much less a database of all patient health records. Particularly with today’s technology, a centralized health record for each patient would eliminate duplication of costly tests, resulting in a sizeable savings. Such savings would be better spent in providing services not currently offered or in outreach efforts to educate the public about preventative care and other health care options.

Controlling the Escalation of Health Care Costs

As aforementioned, 25-31% of Harris County residents are uninsured, with an additional half-million underinsured. Some states, including Texas, are experimenting with premium assistance.²⁸ One form of premium assistance is a health insurance strategy in which a state uses public funds to pay for a portion of the premium costs of employer-sponsored insurance for eligible populations. According to the National Academy for State Health Policy, some states contend that such assistance can help alleviate stress on already tight budgets while expanding coverage. While the state may pay for a portion of employer sponsored insurance for eligible populations, the overall savings will outweigh the costs of expanding public health care programs.

The most obvious way to increase the percentage of the insured in the Houston area is to ensure that all eligible residents are enrolled in Medicaid or the Children’s Health Insurance Program (CHIP). Both are joint federal and state insurance programs designed to help low-income people with their medical costs. Medicaid provides a safety net for those with incomes below the federal poverty level and includes children, pregnant women, the elderly, and the disabled. CHIP provides insurance for a small premium for children whose family income does not exceed 200 percent of the federal poverty level. However, even these small premiums may be out of reach for those with limited resources. For both programs, state expenditures fund less than one half of the costs with the federal government funding the rest. The federal Medicaid match for every dollar the state pays is \$1.56. For CHIP, the federal gov-

ernment match is \$2.65 for every dollar the state spends. The magnitude of these funds suggests that local funding used for premiums would be cost effective.

On a more positive note regarding outreach and collaboration, Harris County initiated a program called Gateway to Care as part of the county’s Community Access Collaborative. The Collaborative’s members include public and private safety net health systems, coalitions, advocacy groups and social service providers. Their goal is to assist the uninsured and underinsured in our area in receiving medical care at the most appropriate setting. Their navigation services connect Harris County residents to appropriate resources and help to establish a health care home. Additionally, Gateway to Care’s 24-hour telephone triage service – Ask Your Nurse – is a free service allowing residents to ask urgent health care questions, which may eliminate an unnecessary visit to an emergency center.

Bottom-line, the creation of a comprehensive regional structure or public health district to coordinate the health care services of the area’s public providers will improve the likelihood of outside funding, eliminate duplication of services, improve economies of scale in administration and goods, and advance greater accountability. Such a structure is consistent with the recommendation offered by the Lewin Group and the Greater Houston Partnership, and is similar to the successful integrated systems found in Chicago/Cook County and Indianapolis/Marion County.²⁷

Due to recent legislative changes, the number of Texas children enrolled in CHIP has declined dramatically within the last year. In September 2003, 507,259 children were enrolled in CHIP. After the implementation of new eligibility, benefits, and cost-sharing guidelines, the total number of children in CHIP continually declined, culminating in 358,230 enrolled in June 2004. In other words, 149,029 fewer children were insured through CHIP, and according to the Kaiser Foundation, almost all the net reduction in CHIP enrollment has been among children in families below 150% of the federal poverty level.²⁹ According to the Texas Comptroller of Public Accounts, more than \$934.3 million remains available to fully restore cuts in CHIP and partially restore other health care cuts.³⁰

Another way to control escalating costs is to access federal funds through the creation of additional Federally Qualified Health Centers (FQHCs). As noted previously, FQHCs will expand capacity while helping to control costs. Dependent on household income and size, clients are charged for services on a sliding fee scale. FQHCs are mandated to collaborate with other public health care providers so that they become a part of the community’s health care and social service infrastructure – another step in the right direction toward better coordination. Other criteria for FQHCs include an accessible location such as near a major road and/or on a public transportation

Endnotes

stop and a variety of hours offered including evenings and weekends. Does this sound like a feasible alternative for the Houston area? Obviously Chicago thinks so – they have 80 FQHCs in a health care system that is often used as a model of an effective integrated system. In comparison, the Houston area now has 4 (Harris County has two while Fort Bend and Montgomery Counties each have one). Even our neighbor to the west with a smaller population, San Antonio, has 17 FQHCs.

Continuing efforts are being made to provide needed services at the lowest possible cost without sacrificing quality of care. In many cases, a patient's needs are met by a paraprofessional who is an expert in a specific area of care. For example, consider a cardiac nurse practitioner evaluating a post-operative patient who has had open heart surgery or a diabetes nutritionist advising a diabetic patient. Similarly, many services could be provided to children in the schools. School health clinics are a cost effective way to deliver primary care including mental health services. On the other hand, extremely expensive care such as proton therapy should be available only where the expert providers are available to administer it to the best benefit.

As previously stated, there is a need for a comprehensive entity to govern public health services in the Houston area. Although some may decry such a creation as another form of unnecessary government, it is clear that the fragmented system in the area leads to an inefficient use of resources while increasingly not reaching the ever-growing population. Closely tied to a more coordinated system is the need for a centralized information technology network. Using computer technology – a small investment compared to the dollars lost by duplicate services alone – would allow providers and patients alike to make better informed decisions while reducing overall costs. The Greater Houston Partnership's Public Health Task Force has recently proposed a system that links both public and private health providers. Dubbed the Community Health Information Network (CHIN), such a system would allow the Houston area's five public health providers as well as the private entities that serve the uninsured a way to share information.³¹ According to the Partnership, without an integrated system of patient and demographic information, "...it will be impossible to streamline care, achieve efficiency of care, or even allow for the collaboration needed to respond to Nuclear-Biological-Chemical events across Harris County."³²

As a famous line from history goes, "Houston, we have a problem." In a crisis situation such as the one found with today's state of public health care services in the Houston area, leaders have to use their resources wisely and encourage the exploration of all possible options. Perhaps with the enactment of some of the proposed changes as well as ones yet to be envisioned, Houston will not only be known as the city with the best medical care available in the world but as a leader in the delivery of efficient and effective public health care services.

1. L.M. Sixel. "When Insurance Isn't Enough," *Houston Chronicle*, 6 June 2004, section D, page 1.
2. Ibid.
3. U.S. Bureau of the Census. Current Population Study, March 1995 to 2002.
4. *Nurse Week*. "Lone Star State Tops Nation in Uninsured," 26 July 2004, page 4.
5. Texas Health & Human Services Commission. "Demographic Profile of the Texas Population Without Health Insurance in 2001."
6. According to the U.S. Census Bureau's "Current Population Study, March 1995 to 2002," the national average of those under 18 was 25.7% compared to over 28% of the Texas population in 2000.
7. Richard Murray, David Branham and Renée Cross. "Texas Public Policy Survey on Health Care," University of Houston Center for Public Policy, July 2002.
8. Texas Health & Human Services Commission. "Demographic Profile of the Texas Population Without Health Insurance in 2001."
9. Ibid.
10. Greater Houston Partnership. "Public Health Task Force Report," September 2004, www.houston.org/pdfs/PHTF.pdf, page 4.
11. Richard Murray, David Branham and Renée Cross. "Texas Public Policy Survey on Health Care," University of Houston Center for Public Policy, July 2002.
12. Ibid.
13. Greater Houston Partnership. "Public Health Task Force Report," September 2004, www.houston.org/pdfs/PHTF.pdf, page 3.
14. Ibid.
15. Greater Houston Partnership. "Public Health Task Force Report Summary," page 11.
16. Greater Houston Partnership. "Public Health Task Force Services Sub-Group Final Report," August 2004, page 39.
17. M. Beauregard & Gulf Coast Institute for Blueprint Houston. "Blueprint Houston: It's About Your Future," 2003, www.blueprintheouston.org/documents/profile_handout.pdf.
18. Greater Houston Partnership. "Public Health Task Force Services Sub-Group Final Report," August 2004, page 37.
19. Ibid, page 3
20. Using the Texas State Data Center's population projections, one scenario states that Hispanics will constitute the largest racial/ethnic group in the Houston-Baytown-Sugar Land metropolitan statistical area by 2015 (2,943,915 out of 6,819,261). Other data suggest that Hispanics will be the largest group by 2020 or 2035. For more information about state projections, go to www.txstc.tamu.edu/tpepp/2004projections/2004_txpopprj_msatotnum.php.
21. The Lewin Group. "Revisoning the Delivery of Health Care Services to Uninsured Patients in Harris County," saveourers.org/SOE.ExecutiveSummary.pdf, page 4. Commissioned by Save Our ERs.
22. Ibid, page 2.
23. Ibid, page 3.
24. From a report by the Texas Department of Health Services. Go to www.dshs.state.tx.us/.
25. The first three statistics are found in the Greater Houston Partnership's Public Health Task Force, Services Sub-Group Appendix, July 2004, page 51. The AIDS statistic is from the City of Houston's "AIDS Summary of Houston and Harris County Cases," page 1 at www.ci.houston.tx.us/departme/health/ORT2004.pdf.
26. Greater Houston Partnership. "Public Health Task Force Report," September 2004, www.houston.org/pdfs/PHTF.pdf, page 5.
27. See page 8 of the Greater Houston Partnership's "Public Health Task Force Report" at www.houston.org/pdfs/PHTF.pdf, and The Lewin Group's "Revisoning the Delivery of Health Care Services to Uninsured Patients in Harris County" at saveourers.org/SOE.ExecutiveSummary.pdf, page 5.
28. The National Academy for State Health Policy lists Texas as one of the 14 states operating premium assistance programs as of February 2004. Texas' program authority number is 1906. Go to www.patoolbox.org for more information.
29. All CHIP statistics are taken from the Kaiser Foundation's report "Children's Medicaid and SCHIP in Texas: Tracking the Impact of Budget Cuts." See the executive summary, page 2, at www.kff.org/medicaid/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=44415. Their source was the Texas Health and Human Services Commission.
30. As of August 25, 2004, the Texas Comptroller declared that funds for CHIP could be restored. See www.cpa.state.tx.us/news/40825letter.html.
31. Private health care providers such as CHRISTUS, HCA, Memorial Healthcare System, and Texas Children's Hospital serve the uninsured and underinsured in the Houston area.
32. Greater Houston Partnership Public Health Task Force. "Technology Committee Report," August 2004, www.houston.org/pdfs/PHTF/Technology.pdf, page 4.

Local Health Care Resources

AIDS Foundation ▪ www.aidshelp.org/
Gateway to Care ▪ www.gatewaytocare.org
Good Neighbor Health Care Center ▪ www.gnhc.org
Harris County Public Health & Environmental Services ▪ www.hd.co.harris.tx.us
Harris County Hospital District ▪ www.hchdonline.com
Health Care for the Homeless - Houston ▪ www.homeless-healthcare.org
Houston Department of Health & Human Services ▪ www.ci.houston.tx.us/departme/health
Mental Health Association of Greater Houston ▪ www.mhahouston.org
Mental Health & Mental Retardation Authority of Harris County ▪ www.mhmraofharriscounty.org
Texas Medicaid/CHIP Information & Assistance ▪ www.hhsc.state.tx.us/Medicaid/cs/CS_home.html

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The Health Care Committee thanks the University of Houston Center for Public Policy for the use of its facilities and resources. Visit the Center at www.uh.edu/cpp.



THE LEAGUE OF WOMEN VOTERS OF THE HOUSTON AREA

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