

# COVERING CAROLINA

LET'S MAKE HEALTH INSURANCE  
AFFORDABLE AND ACCESSIBLE  
TO ALL SOUTH CAROLINIANS



## South Carolina Hospital and Business Leaders Speak Out



**Jay Cox, CEO**  
Tuomey Healthcare System



**Greg Thompson, CEO**  
Thompson Construction

## 'Free' health care threatens state's economy

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South Carolinians by their very nature are a generous people. When a friend loses a loved one, we share food and condolences. When a family loses their home to a fire, we take them clothes and comfort. When a friend loses a job, we help them make ends meet until a new opportunity comes along.

It is the mission of South Carolina's doctors and hospitals to be generous with our expertise and ability to heal. In the past, providing charity care was not a burden; we had plenty of paying patients to balance the "free" care. But times have changed. Today health care providers, Tuomey Healthcare System included, find themselves providing more free care than the dwindling number of paying patients can make up.

Let us put this in perspective. In 2005 alone, hospitals in South Carolina provided \$352.2 million in uncovered services, a tremendous number by any measure. Imagine if a business, a chain of retail stores for example, gave away \$352.2 million in clothing. It's a safe bet they would not be in business for very long.

So how do our state's hospitals keep their doors open? Through a common practice called "cost shifting," in which the cost of paying for the uninsured is shifted to businesses and individuals with commercial health insurance. This practice worked in the past when the number of uninsured was low and the number of companies providing health insurance was high. Over the last five years, things have changed. Insurance premiums have gone up an average of 10 percent a year, making health insurance increasingly expensive. Manufacturing plants have closed, shifting workers to service industry jobs where health benefit plans are scarce. Increased pressure from countries like China and Mexico where the cost of doing business is lower has forced South Carolina companies to re-evaluate their health plans. Some have cut employee health benefits altogether. Others like Thompson Construction Group have asked employees to share the cost of their insurance.

Understand, South Carolina companies know they must offer health insurance benefits to attract and retain quality workers; transforming the Palmetto State into a knowledge economy demands it. But when (cont.)

## 'Free' health care threatens state's economy *(cont.)*

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the average cost of ensuring a family of four is \$12,000 a year, there are not too many small companies that can subsidize the cost and remain in business. Indeed, just 40 percent of South Carolina companies with fewer than 50 employees offer health insurance benefits. It's frustrating for companies that want to provide for employees but can't if they are to remain in business.

Individuals without employee-sponsored health insurance have few options. Individual coverage can be very expensive, may only cover catastrophic illness, and is often not available to those with pre-existing conditions. Many people — young people just out of college, newlyweds, single parents — choose to take the risk of no health insurance in an effort to keep more money in their pockets for rent, food, clothing and children. Sometimes they are lucky and enjoy good health. Many times they face financial ruin with a single trip to the hospital.

The dilemma of caring and paying for South Carolina's uninsured population hurts all of us — the employer who can't afford health insurance and therefore can't keep good people on the job, the employee who gets sick and can't work because he can't afford care, the hospital that is caring for a growing number of patients who can't or don't pay. We're in this boat together, and frankly, we all know it cannot maintain its current course. The boat will sink; it's just a matter of when.

Other states like Massachusetts have taken the bull by the horns and passed legislation intended to solve similar problems. While their solutions may not work for South Carolina, we believe we can craft one that works for the citizens of our state if we can bring the right people to the table — business people, doctors and hospitals, insurance companies, lawmakers, and other concerned individuals.

In closing, we don't advise, "staying the course." Businesses and health care providers cannot continue to cover health care costs for the nearly 700,000 uninsured South Carolinians. As leaders of organizations whose futures depend on a strong economy and healthy population, we believe it is our duty to begin addressing South Carolina's uninsured population and its incumbent problems now, before it's too late.



**For more information on the *Covering Carolina* initiative of the South Carolina Hospital Association, contact Patti Smoake at 803.796.3080 or [psmoake@scha.org](mailto:psmoake@scha.org)**