

The Cost and Consequence of Community Violence
The Center for Public Safety Initiatives

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Who is affected by the medical costs associated with gun-related injuries
and deaths?

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According to Agency for Healthcare Research and Quality (AHRQ), in 2005 uninsured visits accounted for 22.7% of violence-related stays while uninsured visits accounted for only 5.3% of non-violence related stays in U.S. hospitals. There were an estimated 308,200 violence-related hospitalizations which totaled \$2.3 billion in hospital costs (Russo, 2008).

According to the CDC's National Ambulatory Medical Care Survey: 2005 Emergency Department Summary, 39.9% of visits were covered by private insurance, 24.9% were covered by Medicaid or another form of state children's health insurance, 16.6% were covered by Medicare, and 16.7% of visits were not covered by insurance (Nawar, 2007).

Local

In Rochester, from January 2008 to May 28, 2008 there were 36 victims of gunshot wounds seen at Strong and RGH. Of those victims, 63.9% were self-pay, 19.4% were covered by Medicaid, and 16.7% were covered by commercial insurance.

Uncompensated care

According to the American Hospital Association's October 2007 report, in 2007, uncompensated care accounted for \$31.2 billion total for the 4,927 registered community hospitals nationally, which is about 5.7% of the total hospital expenses (American Hospital Association, 2007).

According to the CDC's Ambulatory Medical Care Utilization Estimates for 2005, the visits rates to hospital emergency departments for those with no insurance was almost twice the rate as those with private insurance. 45.9 visits per 100 persons for those with no insurance versus 23.8 visits per 100 persons for those with private insurance (Burt, 2007).

According to a study of national injury-related hospitalizations in children, 31.6% of the total hospital expenditures for self-pay were injury related versus 21.8% for private and 20.1% for public (i.e. Medicaid). Further, among self-pay patients, firearm injury was four times more likely than privately insured patients and two times more likely than publicly insured patients (Pressley, 2007).

In New York, 3 million New Yorkers were uninsured during all of 2002. In order to cover the costs incurred by the uninsured, the list price for hospital charges in New York averages more than 87% of the actual cost (Public Policy and Education Fund of New York, 2005).

In 2006, Jaspen explained in the Chicago Tribune that according to the American Hospital Association, from 1994-2004, uncompensated care costs at U.S. hospitals rose by more than \$10 billion, or by 60 percent.

A 1984 study found that the yearly cost of the acute care for patients treated for injuries of violence was \$8,000,000 and that 80% of this cost is paid for by public funds (Sumner, 1987).

Private health covering cost

Garson (2007) explains that recent studies have suggested that private health insurance pays as much as \$29 billion in medical care for the uninsured through higher premiums (p.124). Therefore, insurance premiums are significantly higher than they would be if not covering the uninsured costs. According to Garson, this amounts to an average increase of 8.5% tacked on to everyone's private health insurance premium. These increases are negotiated among private insurers, hospitals, and physician groups.

According to the Contra Costa Times from Walnut Creek, California, in 2005 gunshot victims ran up \$25.7 million in charges at John Muir Medical Center in Walnut Creek. Over the past three years at the same trauma center, 62% of the gunshot victims were classified as self-pay and the majority of those who were self-pay did not pay any of their bill. Because of these high, unpaid costs, those with insurance end up in paying higher premiums to cover these costs (n.a., 2006).

According to Families USA (2005), their study found that the \$43 billion expense of the uninsured is about one-third reimbursed through government programs, and two-thirds is paid for through raising health insurance premiums for those covered. In 2005, the cost of uncompensated care in New York was \$2.7 billion, which is one of the eleven states whose uncompensated care costs exceed \$1 billion. It is estimated that by 2010 the cost of health care provided to the uninsured will exceed \$60 billion nationally. Families USA estimates that on

average, in 2005 health insurance premiums were 8.5% higher than they would be if everyone had health insurance in order to cover for uncompensated costs. The rates negotiated between providers and insurers always include a significant amount uncompensated care costs.

Gun-related specifically

According to WHO (2004), from 56%-80% of the costs of care of acute gun injuries were either paid directly by public financing or not paid at all, in which case the costs were absorbed by society in uncompensated care financing and an increase in payment rates. Overall, each gunshot victim generated an estimated \$9,209 per person in uncompensated costs according to Physicians for Social Responsibility (2002) (Waters, 2004).

Private sources, victims, and private insurance cover about half of the lifetime costs of gunshot wounds, while taxpayers cover the other half (about \$1.1 billion) (Cook, 1999).

In 1994, a study conducted at the University of Southern California Medical Center found that 87% of the costs of treating gunshot wounds to the trunk were paid for with public funds. A second study in San Francisco in the mid 1980s found that 80% of the direct medical costs for stab wounds, gunshot wounds, and injuries from assault were paid for with public funds (Waters, 2005).

An article out of Milwaukee discusses the cost of gunshot wounds to the community. Diedrich (2006) explains that the average charge for a gunshot victim admitted to Froedtert Hospital was more than \$38,000 in 2005. This hospital treated 236 of these patients in 2005, which the charges then total close to \$9 million. The majority of these victims had no health insurance coverage. According to Froedtert, victims of car accidents are nearly three times as likely to have private insurance.

In 1994, the primary payers for assault gunshot injuries are Government agencies (55%) and both private insurance covers 20% of assault gunshot injuries and self-pay accounts for 20% as well. \$.4 billion of the total cost is to be paid by the victims themselves, however, data has shown that self-pay cases are almost 6 times as likely as others to become bad debts and eventually be covered by other sources (Cook, 1999).

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