

# Why We Need Healthcare Reform

Rising healthcare costs are having a tremendous impact on our families, businesses and the national economy. Over the last decade Americans have been spending more and more on healthcare while receiving less and less.

## HEALTHCARE & FAMILIES

Healthcare costs have been rising out of control, forcing American families to either forgo necessary medical treatment or face extreme financial hardship.

- Since 2000, employer-sponsored health insurance premiums have more than doubled - a rate three times faster than cumulative wage increases.
- Since 1987, **the cost of the average family health insurance policy has risen from 7% of median family income to 17%.**
- In the past year, 53% of Americans say their household cut back on health care due to cost concerns.
- In 2007, **60% of bankruptcies were reported to be related to medical costs.**
- Premiums are high, in part, because of a "hidden insurance tax" of more than \$1,000 added onto every family policy that covers the cost of care for those without insurance.
- At least 46 million Americans are uninsured - more than 85% of whom are in working families. Without wellness and preventive care, families suffer, and their care drives up costs throughout the system.

### The Cost of Inaction - Without reform

Without comprehensive health insurance reforms, we can expect these problems to increase.

- Family premiums are projected to increase an average of \$1,800 each year.
- The number of the uninsured will reach 61 million by 2020.
- With employers unable to afford rising health care costs, our country could see an additional 3.5 million people unemployed and without benefits in the next 4 years.

## HEALTH CARE & BUSINESS

Healthcare costs do not just affect individuals; American businesses have also been under increasing strain due to healthcare costs.

- As a result of crushing health care costs, American businesses are losing their ability to compete in the global marketplace. The burden is particularly heavy on small businesses.
- **Small business premiums have risen 129% since 2000.**

- 28 million uninsured Americans are small business owners, employees, and their families - 60% of our nation's entire uninsured population.
- In 2008, 38% of small companies offered health coverage, compared with 41% in 2007 and 61% in 1993.
- On average, small businesses pay up to 18 percent more than large firms for the same health insurance policy.
- An employee of a small business is 50 percent more likely to lose job-based coverage than an employee of a large business.

The Cost of Inaction - Without reform

Again, without comprehensive healthcare reform, these problems will continue to grow.

- According to a Hewitt Associates survey, **19% of all U.S. businesses plan to halt providing health care benefits to their employees in the next three to five years.**
- Small businesses are projected to lose \$52.1 billion in profits to high health care costs over the next ten years.
- About 10% of small companies are considering ending their employee health coverage plans over the next year, compared with 3% of small businesses in 2005.

## HEALTH CARE & THE ECONOMY

Finally, the overall costs of healthcare reform is hurting the national economy.

- The United States spent approximately \$2.2 trillion on health care in 2007, or \$7,421 per person. This comes to 16.2% of GDP, nearly twice the average of other developed nations
- Since the recession began, an estimated 4 million additional Americans have lost their health insurance - and are **currently losing coverage at an average of 10,680 workers each day.**
- The economic consequences of uninsurance are enormous, with an estimated lost productivity of roughly \$76 to \$152 billion in a year.
- Annually, federal and state governments pay 75% of the \$56 billion in uncompensated care provided to the uninsured.

The Cost of Inaction - Without reform

Again, without comprehensive healthcare reform, these problems will continue to grow.

- By 2018, national health care expenditures are expected to reach \$4.4 trillion - more than double 2007 spending; **By 2025, one in every four dollars in our nation's economy will be spent on health care.**

- The proportion of spending attributable to Medicare and Medicaid in the health system is expected to rise from 4 percent of GDP in 2007 to 19 percent of GDP in 2082, making it the principle driving force behind rising federal spending in the decades to come.
- National health expenditures are expected to increase faster than the growth in GDP: between 2008 and 2018, **the average increase in national health expenditures is expected to be 6.2 percent per year, while the GDP is expected to increase only 4.1 percent per year.**