

Center for American Progress



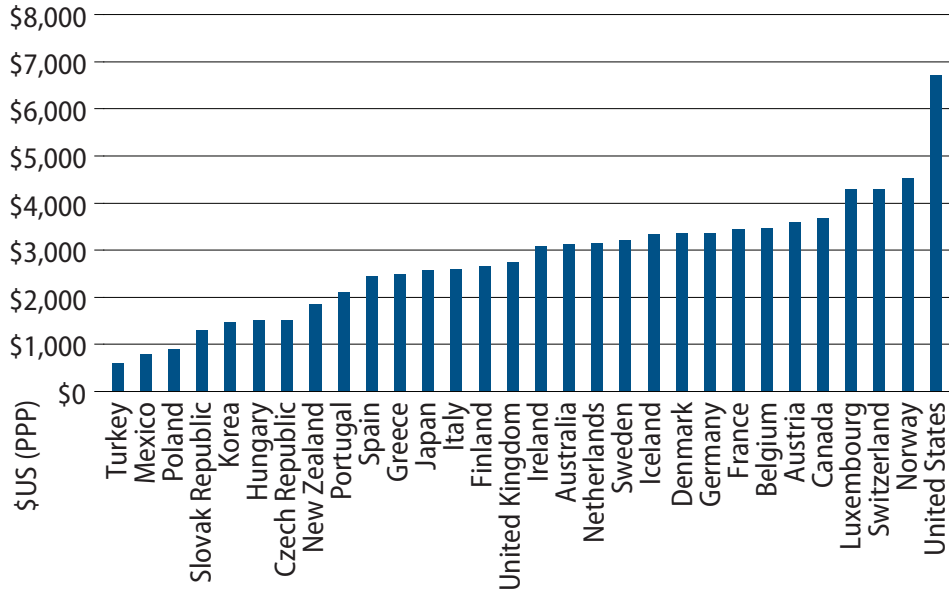
Health Care in Crisis

The Economic Imperative for Health Care Reform

James Kvaal and Ben Furnas February 19, 2009

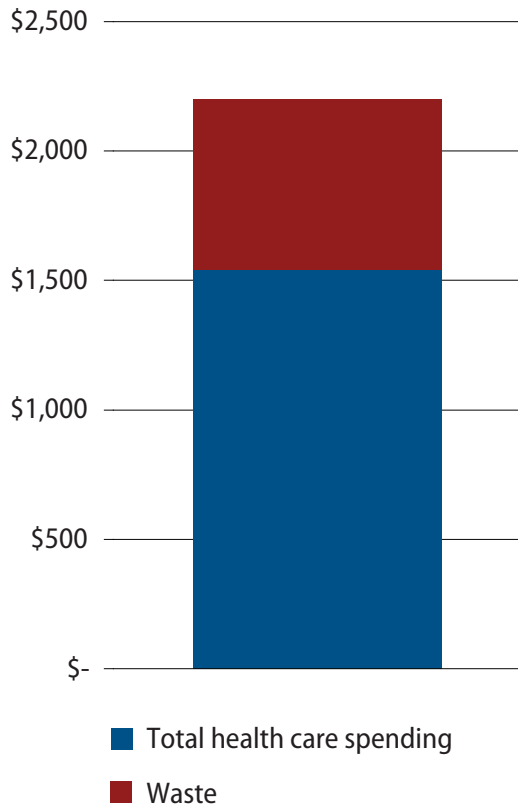
U.S. spends twice as much per capita on health care as most other industrialized nations

2006 or most recent



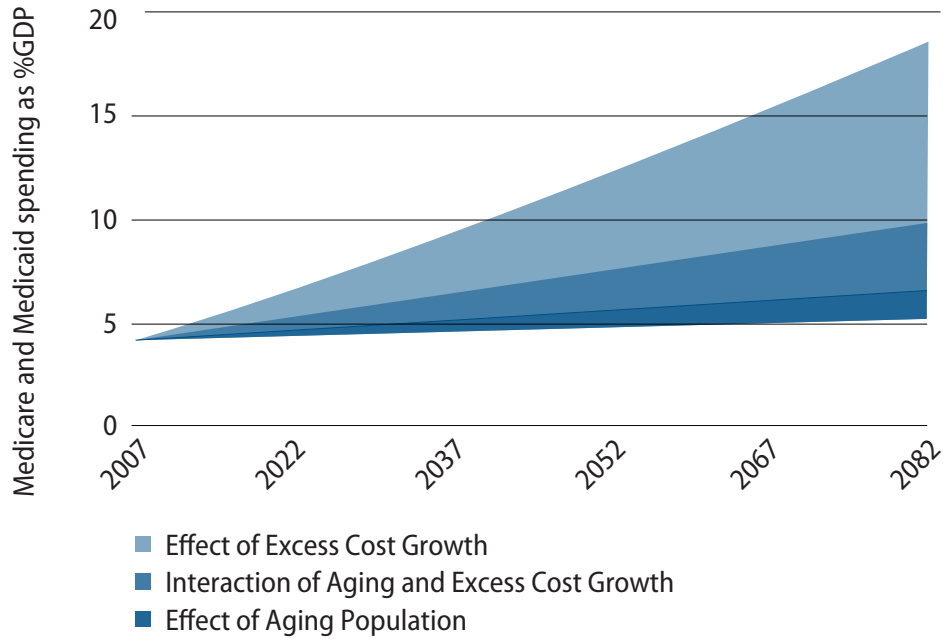
Source: OECD

U.S. spends over \$650 billion per year for treatments that may not improve care



Source: Based on estimates from Dartmouth Institute For Health Policy and Clinical Practice, CMS

Rising Medicare and Medicaid costs are the nation's "central fiscal challenge" due to our expensive health system

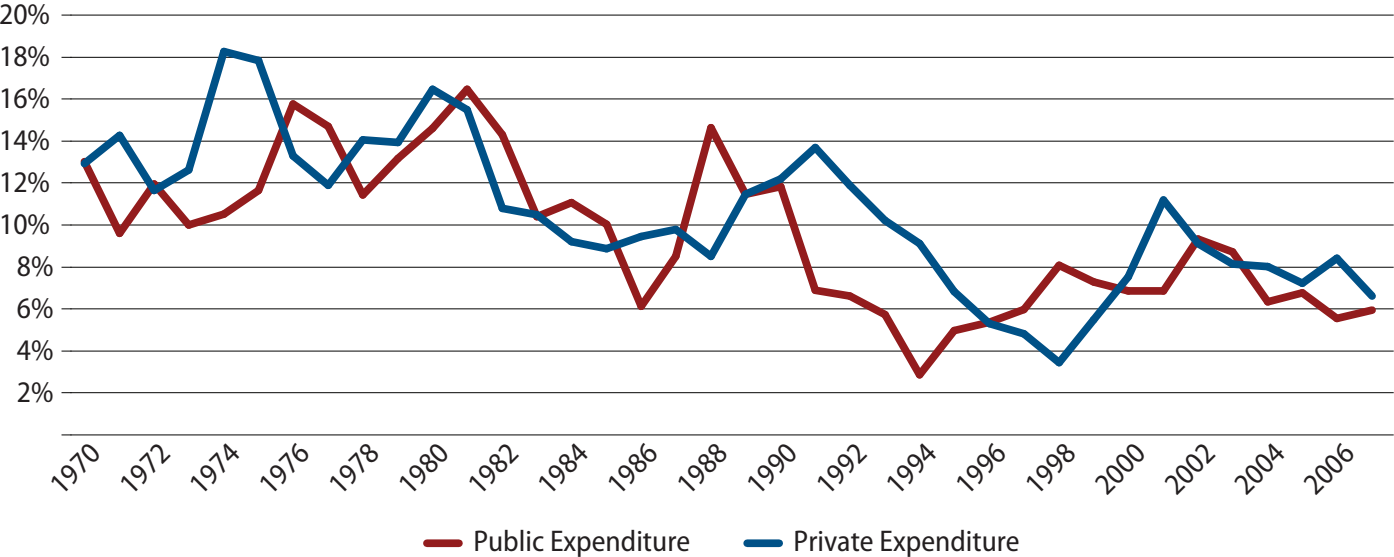


Source: CBO

Public Medicare costs rise and fall with private costs

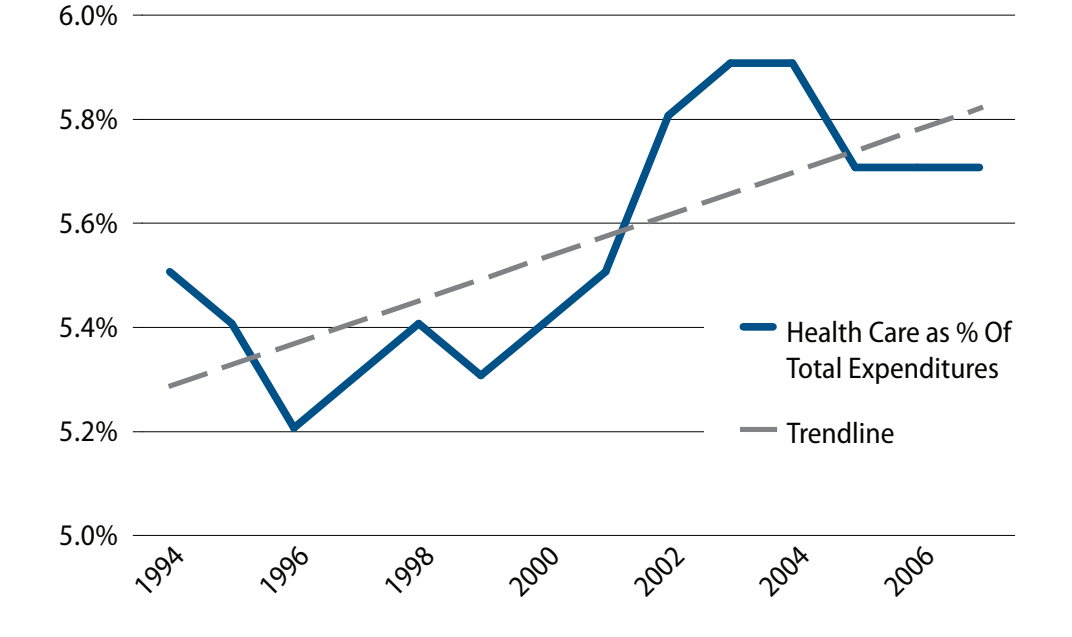
Slowing Public Health Requires Systemic Reform Expenditures

(% change from previous year)



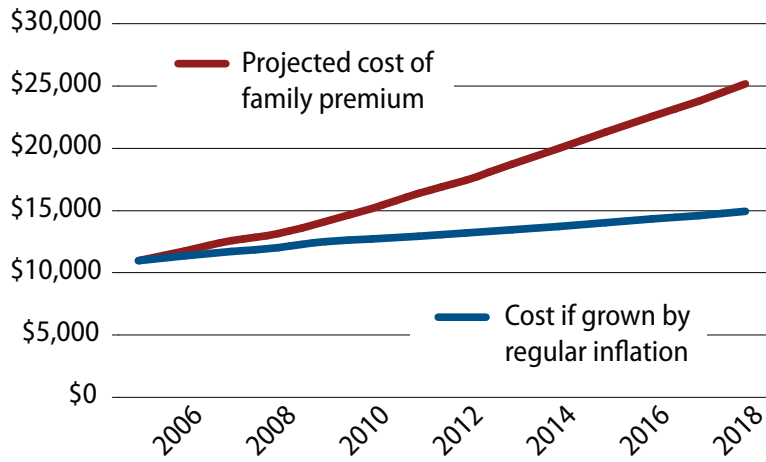
Source: CBO, CMS

Household expenditure on health care climbing



Source: BLS

Premiums costs projected to grow much faster than inflation



Source: CBO

When Premiums Rise 20%...

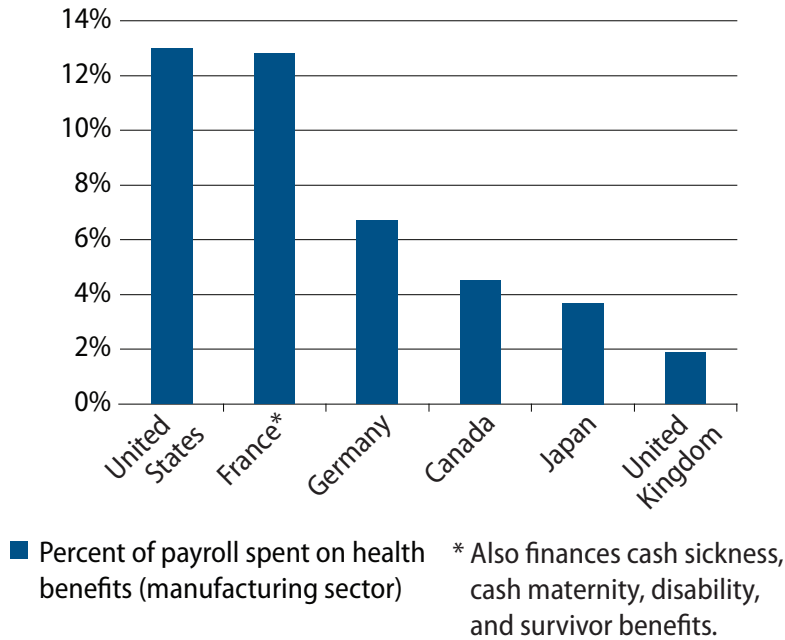
3.5 Million Workers Will Lose Their Jobs

3-4 Million Workers Will Get Shifted To Part-Time Work

Insured Workers' Incomes Will Drop \$1,700

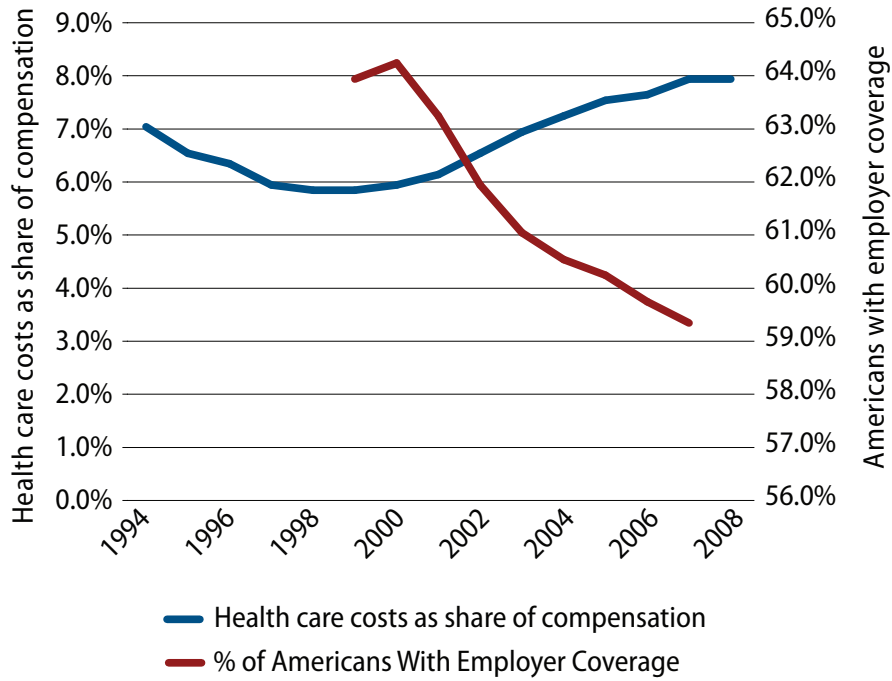
Source: Katherine Baicker and Amitabh Chandra, Harvard University

American companies spend far more on health care benefits than employers in most other countries



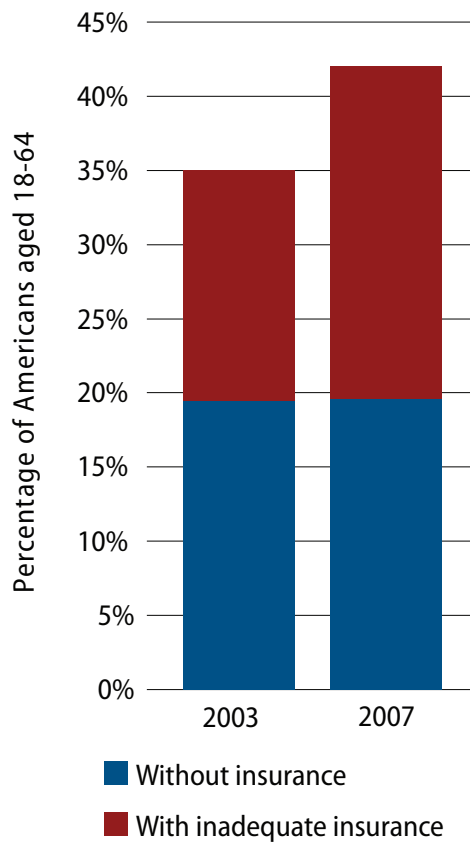
Source: New America Foundation

Employer-based coverage erodes as health insurance costs rise



Source: BLS, MEPS

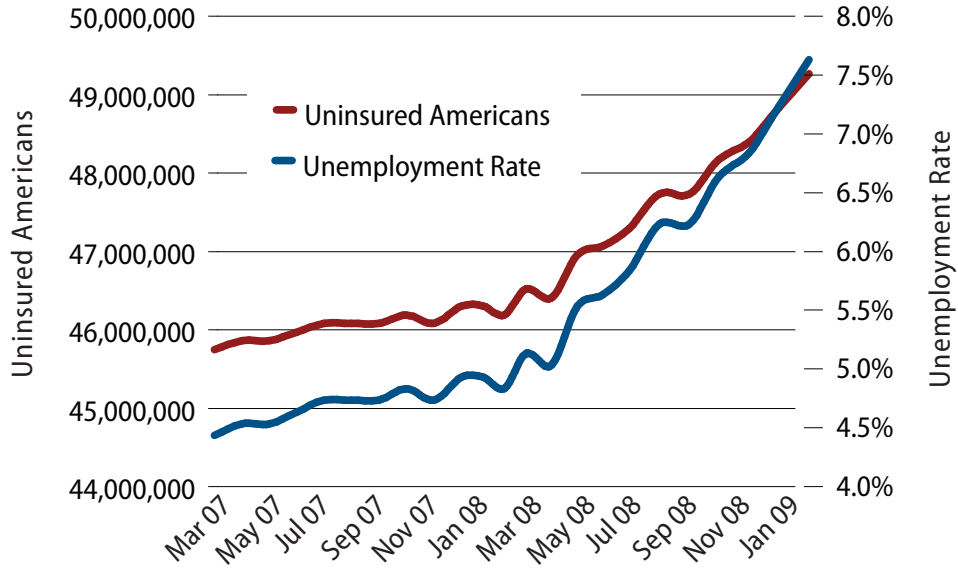
More and more Americans have no or insufficient insurance



Source: Commonwealth Fund, Census Bureau

Job and health insurance losses accelerating

14,000 People Became Uninsured Every Day in December and January

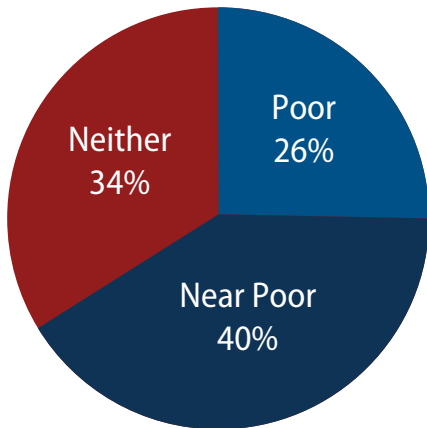


Source: Based on Urban Institute, Bureau of Labor Statistics, Census Bureau

The young and uninsured are mostly poor or near-poor

Little Evidence That They Can Afford Insurance

Percentage of Uninsured
18-34 Year Olds Who Are...



Source: Census Bureau

Note: Note: Poor means income is <100% of the Federal Poverty Line, Near-Poor is <250%

Having 46 million Americans without health insurance in 2007 cost...

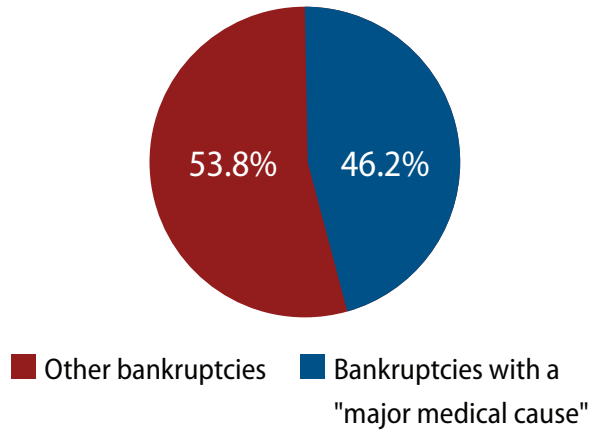
\$104 billion in lost productivity from shorter life-spans

An additional \$103 billion in lost productivity from poor health

A total of \$4,500 in lost productivity for every uninsured person

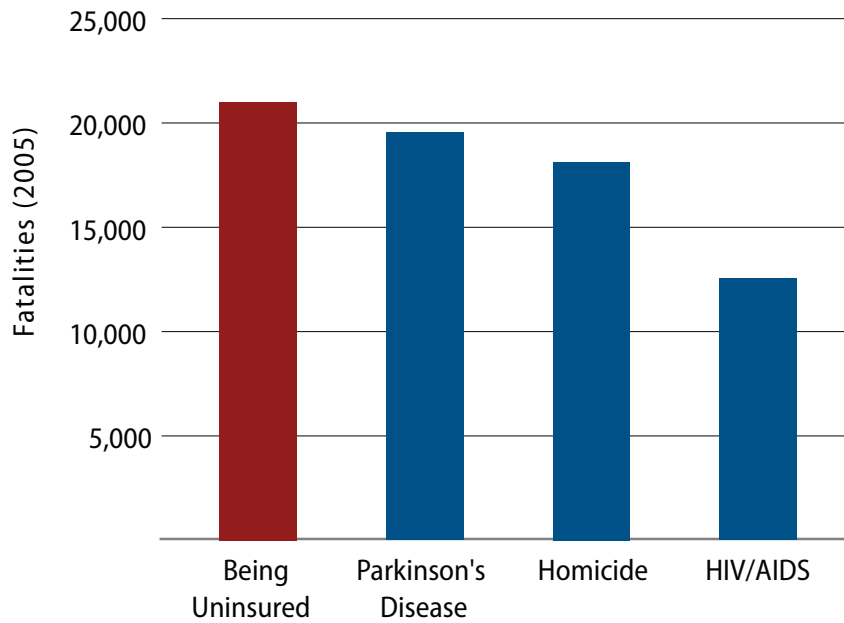
Source: New America Foundation

Almost half of all personal bankruptcies have a major medical cause



Source: David U. Himmelstein, Elizabeth Warren, Deborah Thorne, and Steffie Woolhandler of Harvard University and Ohio University

More people die each year from complications related to being uninsured than die from Parkinson's, homicides, or HIV/AIDS



Source: Institute of Medicine, Urban Institute, Center for Disease Control