

AMERICA CAN'T AFFORD TO WAIT ON HEALTH CARE REFORM

Reforming Health Care is a Necessary Step in Rebuilding Our Economy

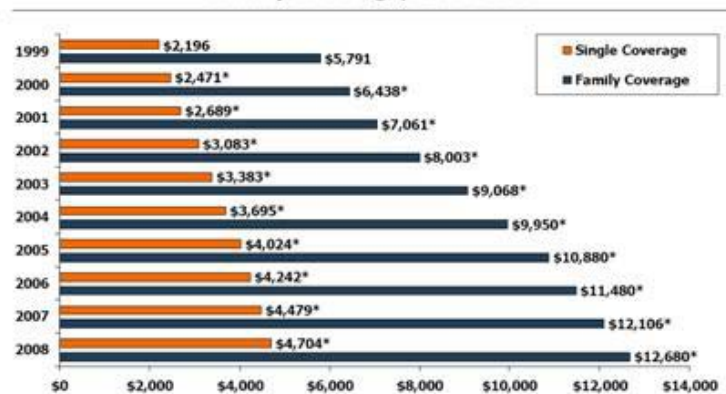
Our nation's health care system is an enormous burden on American families, businesses and economy. In the last eight years, health care premiums have doubled, while wages have held nearly stagnant. In each of those years, one million Americans lost their health insurance, bringing today's total to 46 million. Rising health care costs remain one of the primary reasons why small businesses go under and corporations ship jobs overseas, and it is one of the largest and fastest-growing parts of our budget. The current system is unsustainable. The need to act is clear and the time to act is now.

Comprehensive health care reform that cuts costs, expands access to coverage and improves the quality of care is a top priority for President Obama and the Congress. These reforms are a key component of our efforts to strengthen the middle-class, help businesses create jobs and be competitive, and get our nation back on the road to economic recovery.

Health Care Costs Squeeze American Families

- Health care costs are rising faster than wages and straining families: **Since 2000 health care premiums have doubled, while wages have gone up by just 3 percent.**
- **More than half of American families** have sacrificed health care due to rapidly increasing costs, including postponing or skipping treatments, relying on home remedies rather than visiting a doctor, and skipping dental care.
- Since the beginning of the recession, an estimated **4 million additional Americans have lost their health insurance and 2 million have become uninsured. Fourteen thousand Americans are losing coverage every day** during this economic crisis.

Exhibit 1: Average Annual Premiums for Single and Family Coverage, 1999-2008



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2008.



Health Care Costs Burden America's Businesses

- Since 2000, American **small businesses have experienced a 30 percent increase in their health care costs.**
- **American manufacturers spend more per hour on health care than manufacturers in Canada, Japan and the UK combined.**
- **In the next 4 years, premiums are expected to go up by another 20 percent.** With employers unable to afford this rising cost, our country could see an **additional 3.5 million people unemployed and without benefits.** This will have a very negative impact on our ability to remain competitive in the global market.

Health Care Costs Hurt the Economy

- Our long-term prosperity is contingent on our ability to confront these unsustainable health care costs. Without proper reform, we risk draining the federal budget and endangering millions of American families.
- Office of Management and Budget Director Peter Orszag told Congress, **“the single most important factor influencing the federal government’s long-term fiscal balance is the rate of growth in health care costs”** (Center for American Progress, 3/5/09).
- The United States **spends twice as much per capita on health care** than almost any other industrialized nation.
- The uncompensated costs of care for the nation’s **46 million uninsured citizens swells health care costs by \$56 billion** every year.
- The current health care system **wastes approximately \$700 billion a year** on treatments and procedures proven ineffective. In order to reform health care, it is important to identify and manage such instances of wasteful spending.

President Obama’s Goals for Reforming Health Care

- **Health care reform helps families:** lowers costs, ensures access to quality health care and preventative care, and allows an easy transition for workers who change jobs.
- **Health care reform helps the economy:** reduces wasteful spending by creating a more rational and efficient insurance and delivery system.
- **Health care reform helps our businesses:** reduces the burden on businesses, lowering the cost of premiums for employers, and allowing them to better compete in the global economy.
- **The cost of inaction is too great:** Since 1994, the average cost per-American for health care has more than doubled. If no reforms are enacted, we will see health care costs increase from \$2.4 trillion to \$4 trillion within the next decade. We can’t afford not to reform health care.