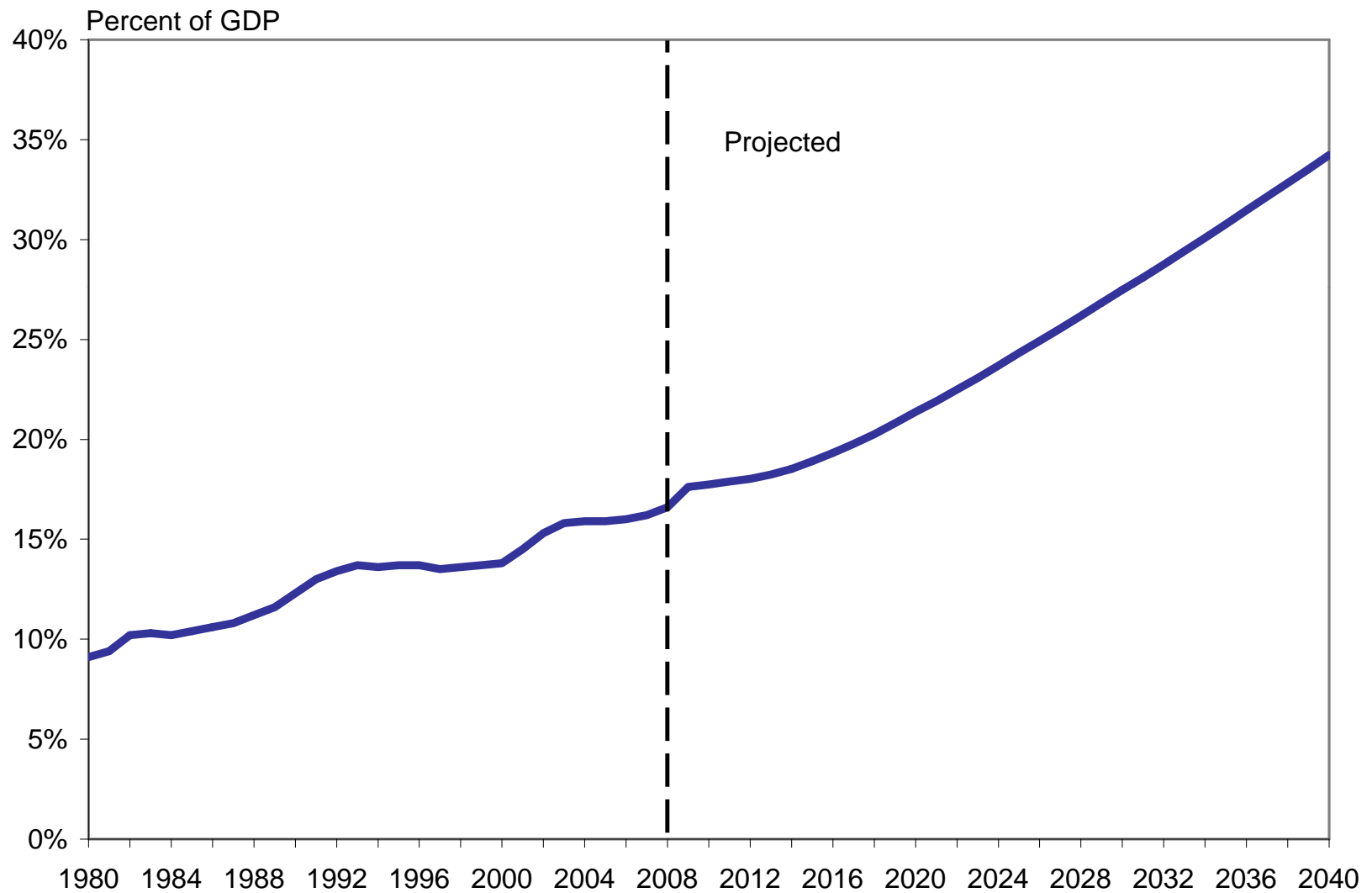


The Economic Case for Health Care Reform



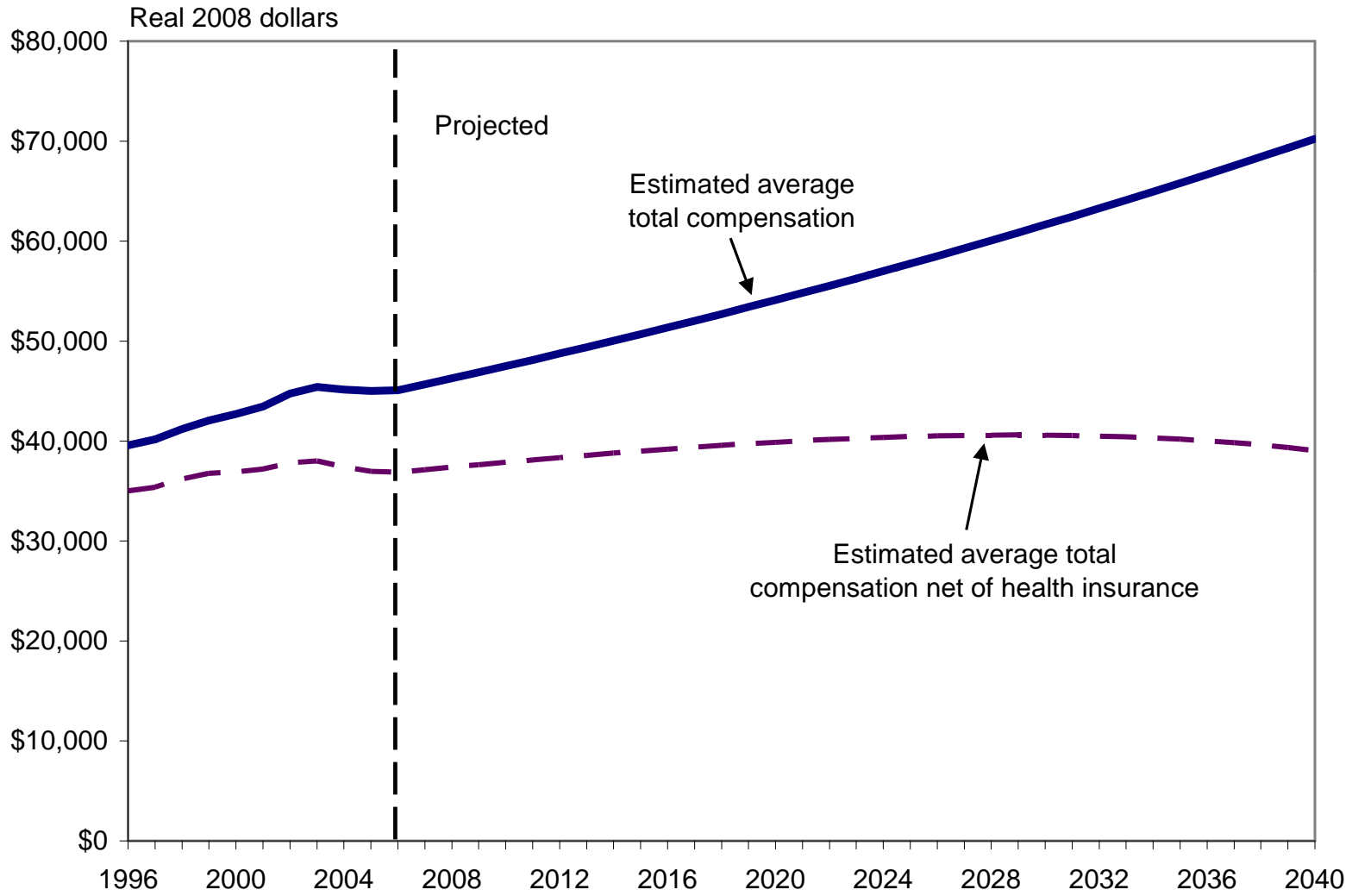
Christina D. Romer, Chair
Council of Economic Advisers

National Health Expenditures as a Share of GDP, 1980-2040



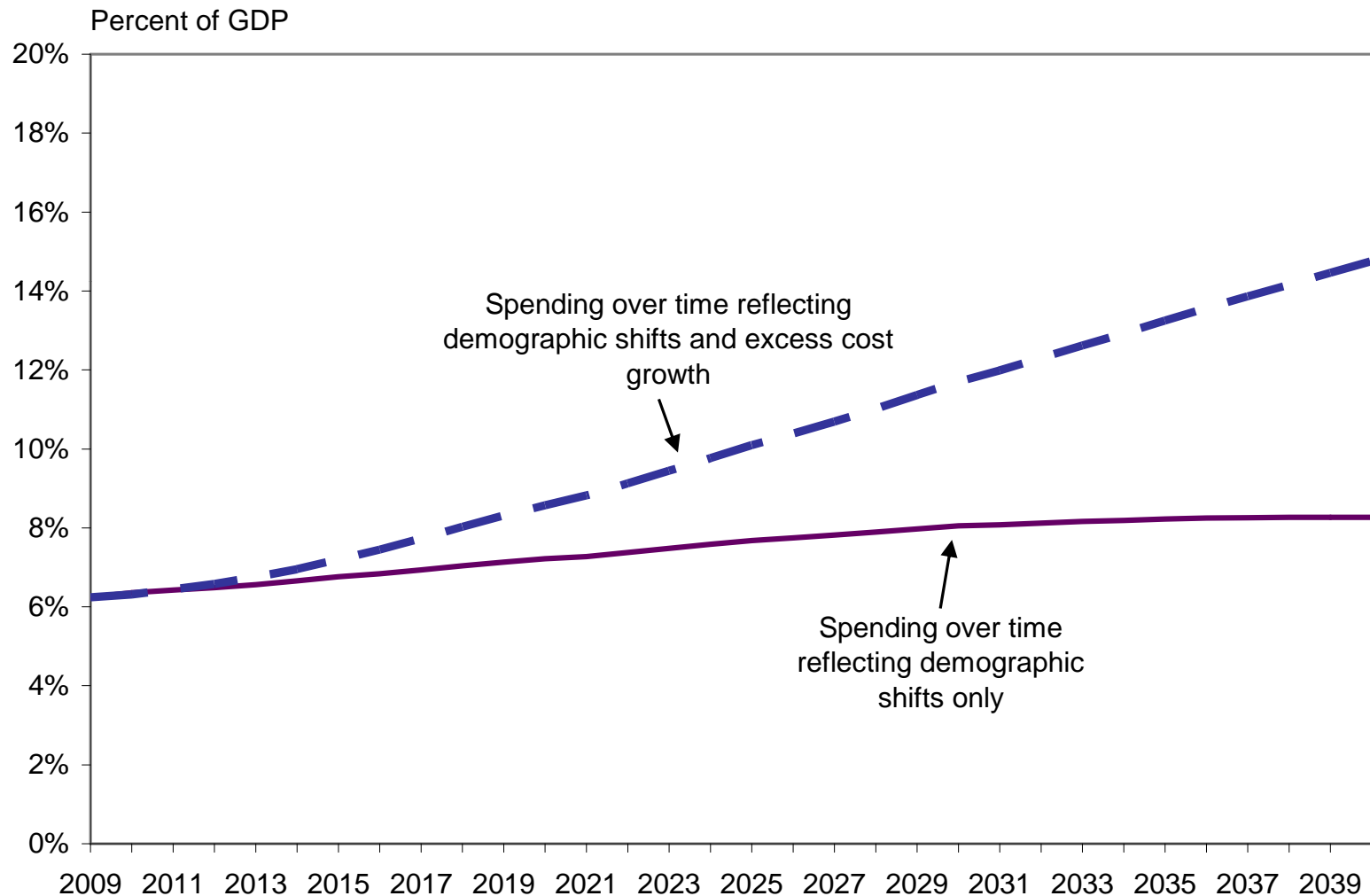
Source: CEA calculations.

Projected Annual Total Compensation and Health Insurance Premiums



Source: CEA calculations.

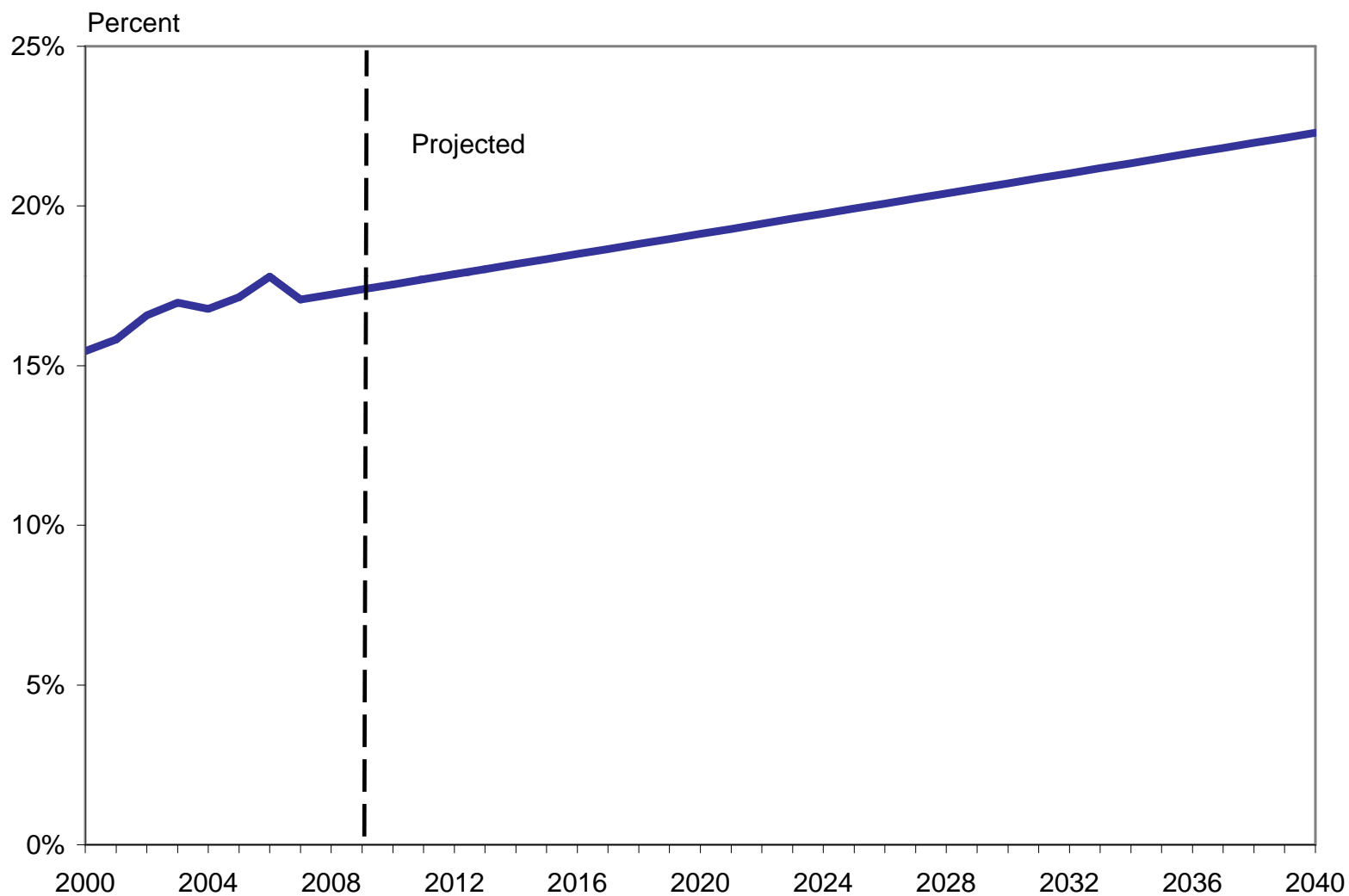
Projections of Total Spending on Medicare and Medicaid as a Share of GDP, 2009-2040



Source: CEA calculations.

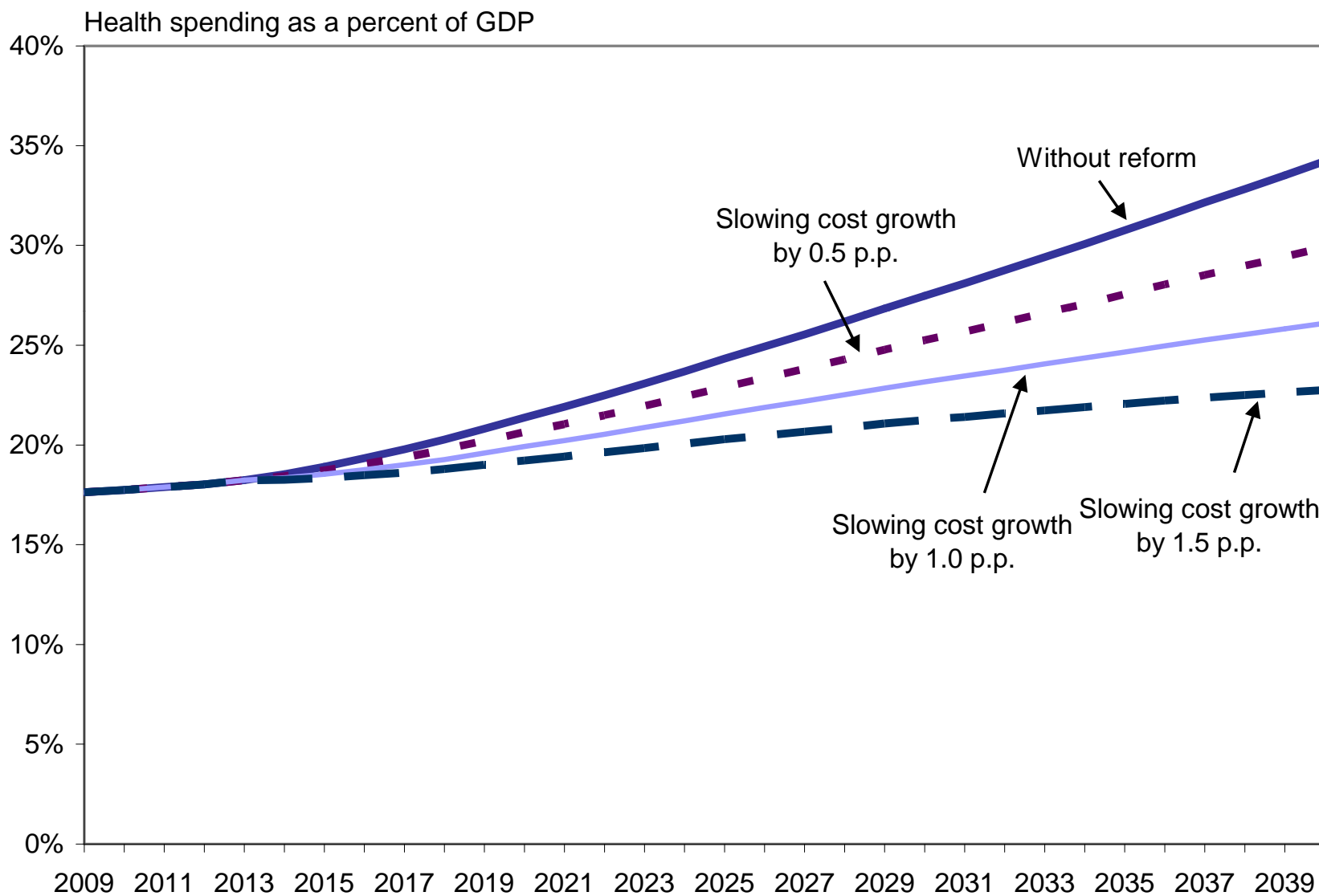
Note: Total spending includes both Federal and state expenditures.

Projected Percentage of the U.S. Population Under Age 65 without Health Insurance, 2000-2040



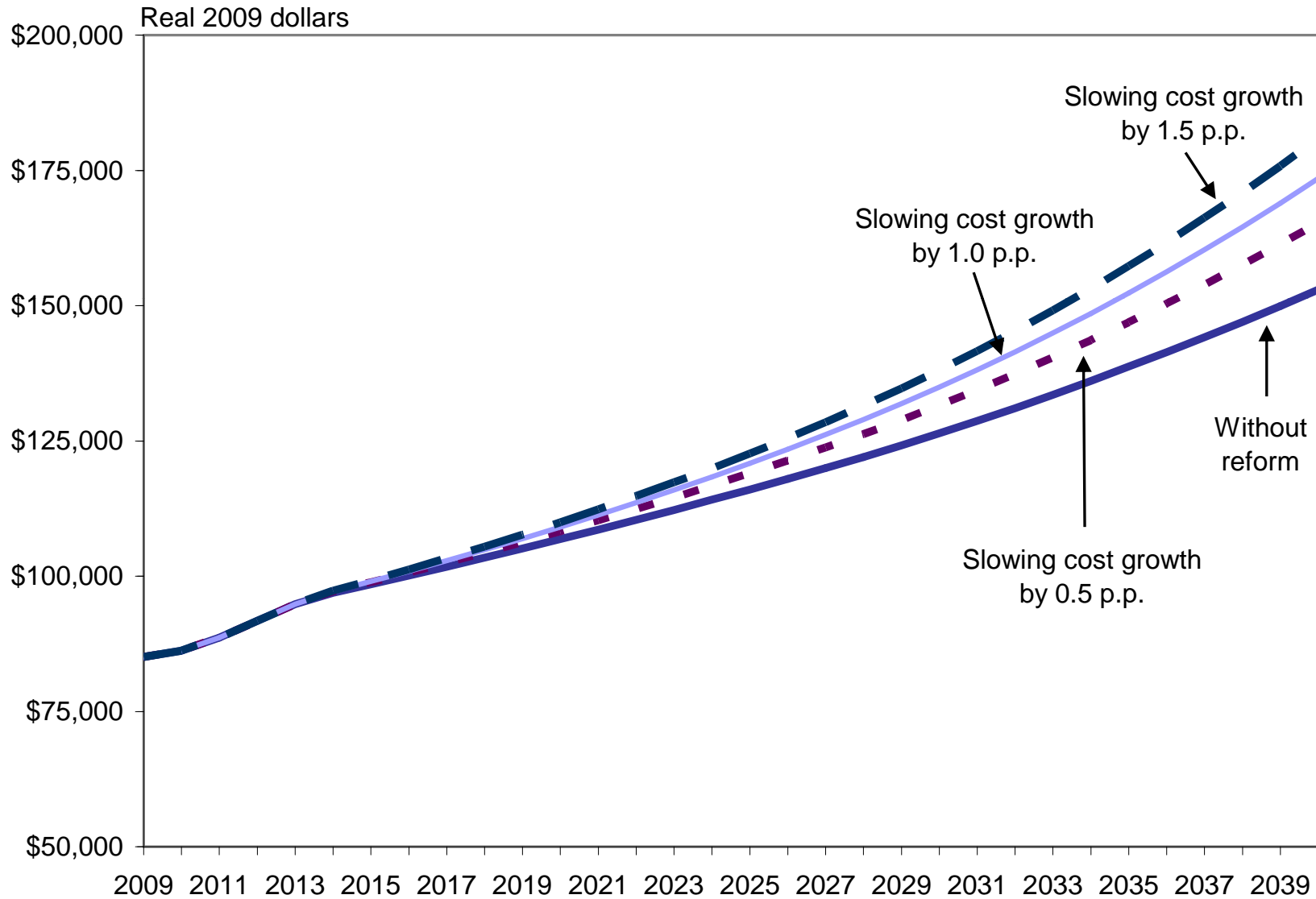
Source: CEA projections using U.S. Census Bureau's Annual Social and Economic (ASEC) Supplement.

Different Scenarios for Path of Health Care Expenditures



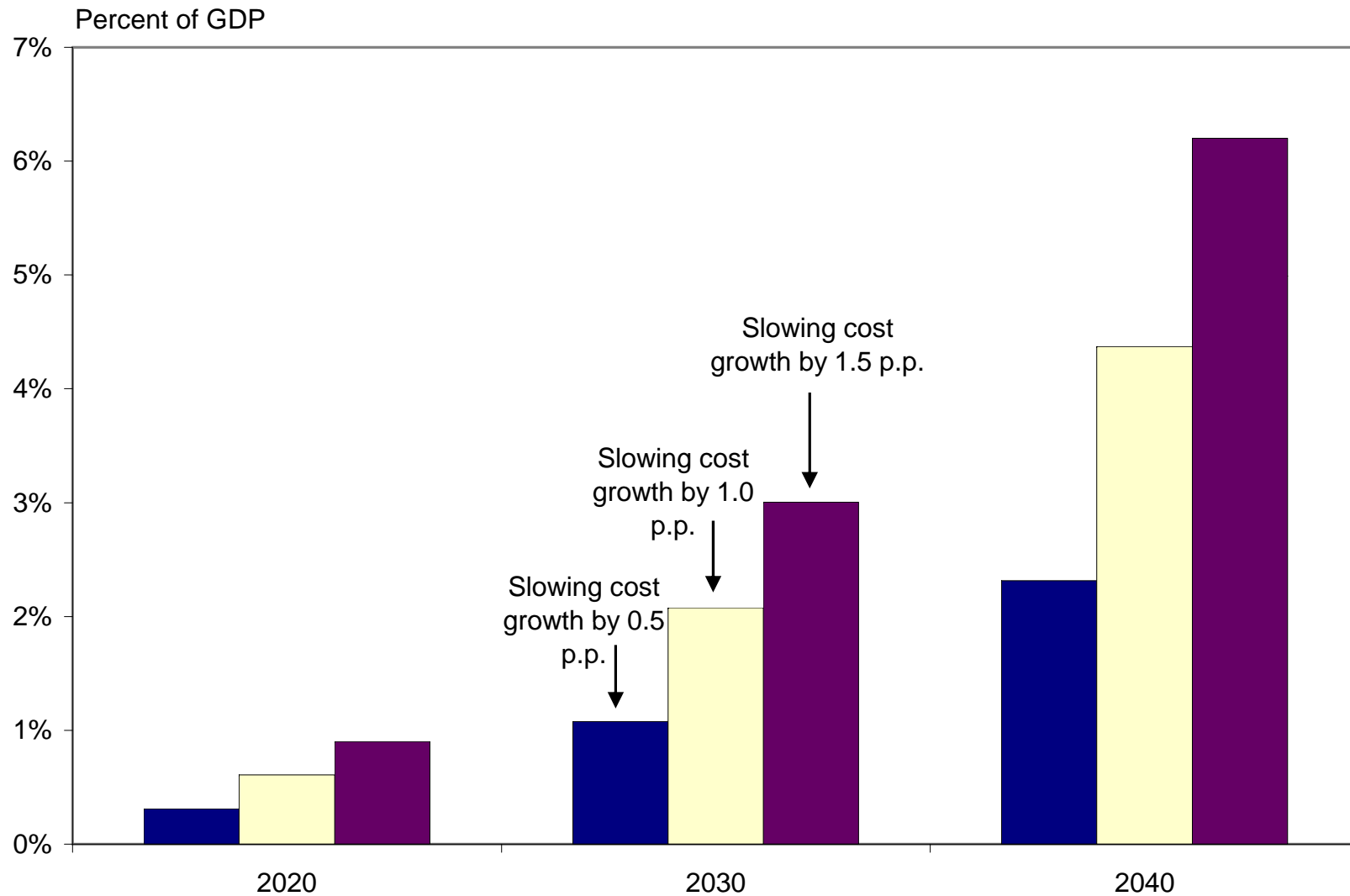
Source: CEA calculations.

Estimated Family Income with and without Health Care Reform



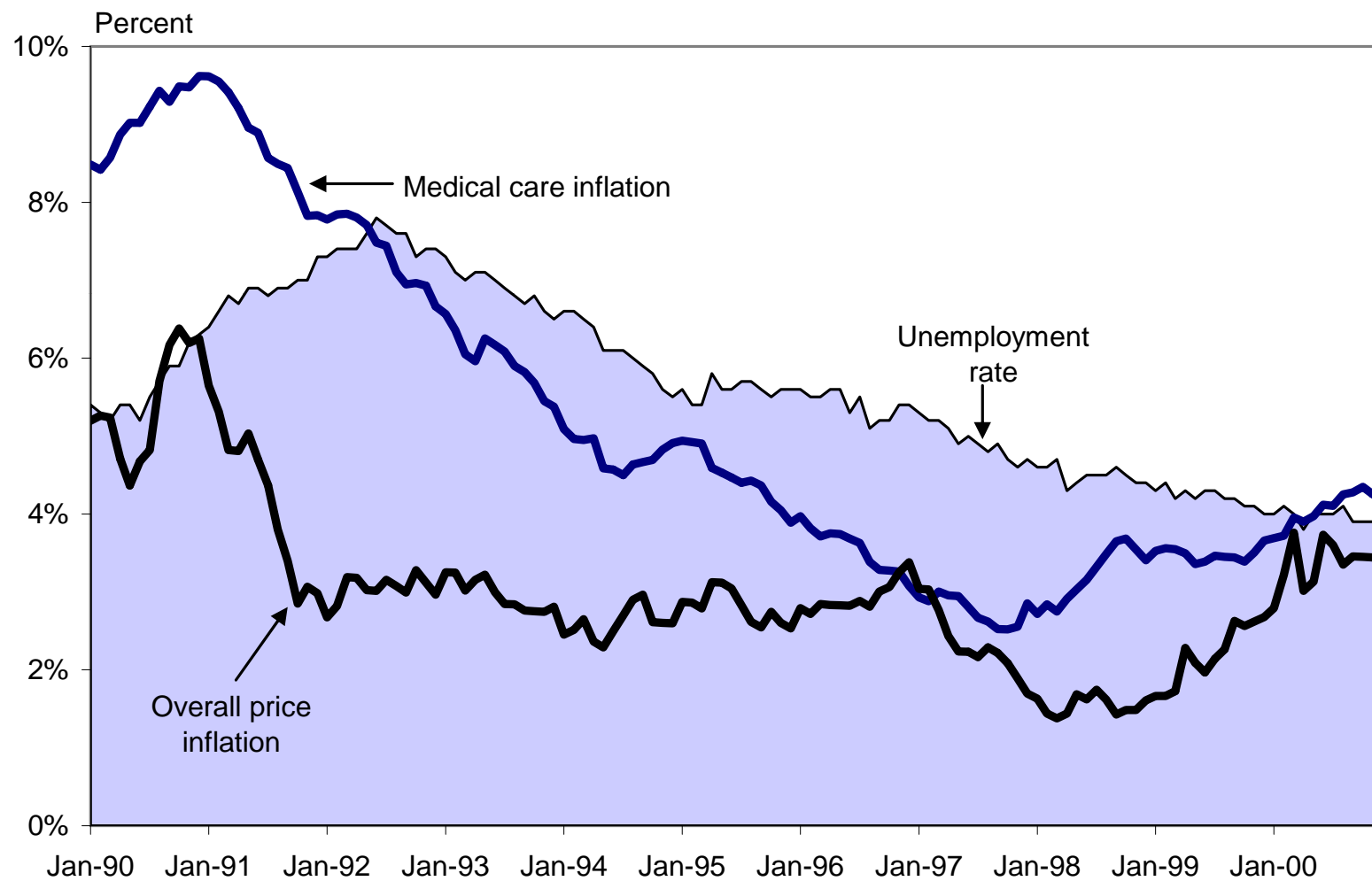
Source: CEA calculations.

Reduction in the Federal Budget Deficit Due to Health Care Reform



Source: CEA calculations.

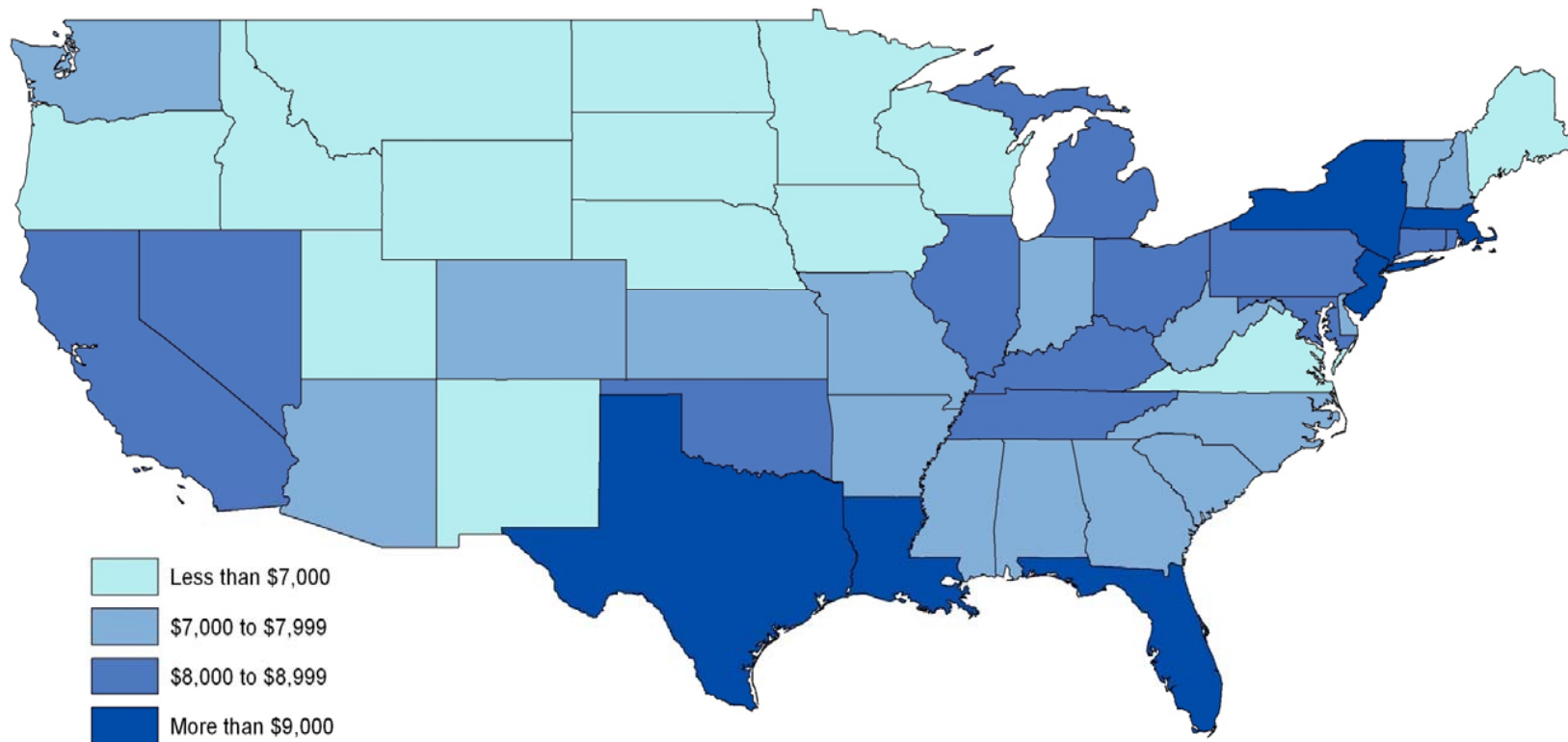
Unemployment Rate Effect from a Reduction in Health Care Costs



Source: Bureau of Labor Statistics.

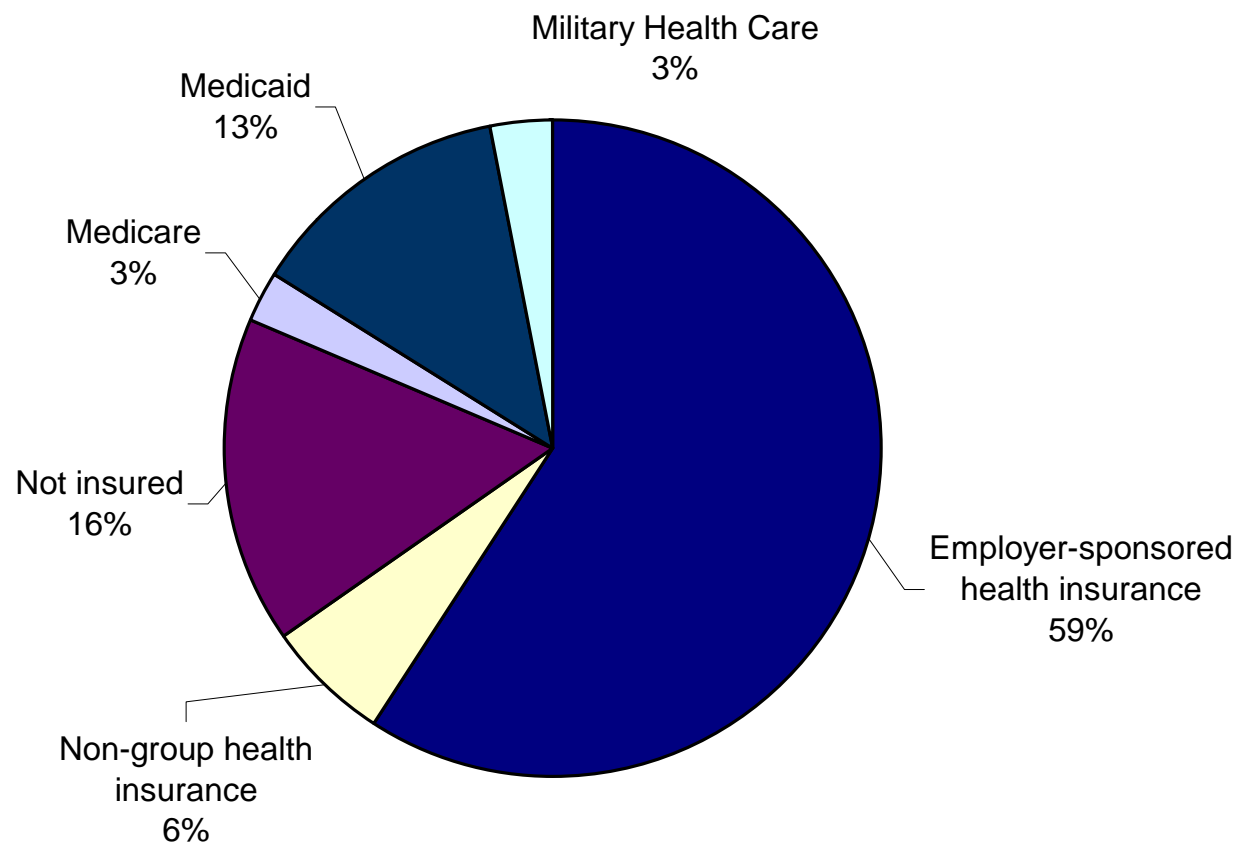
Note: Medical care inflation is the 12-month change in CPI-U: Medical Care, and overall price inflation is the 12-month change in CPI-U: All Prices.

Per Capita Medicare Spending, 2006



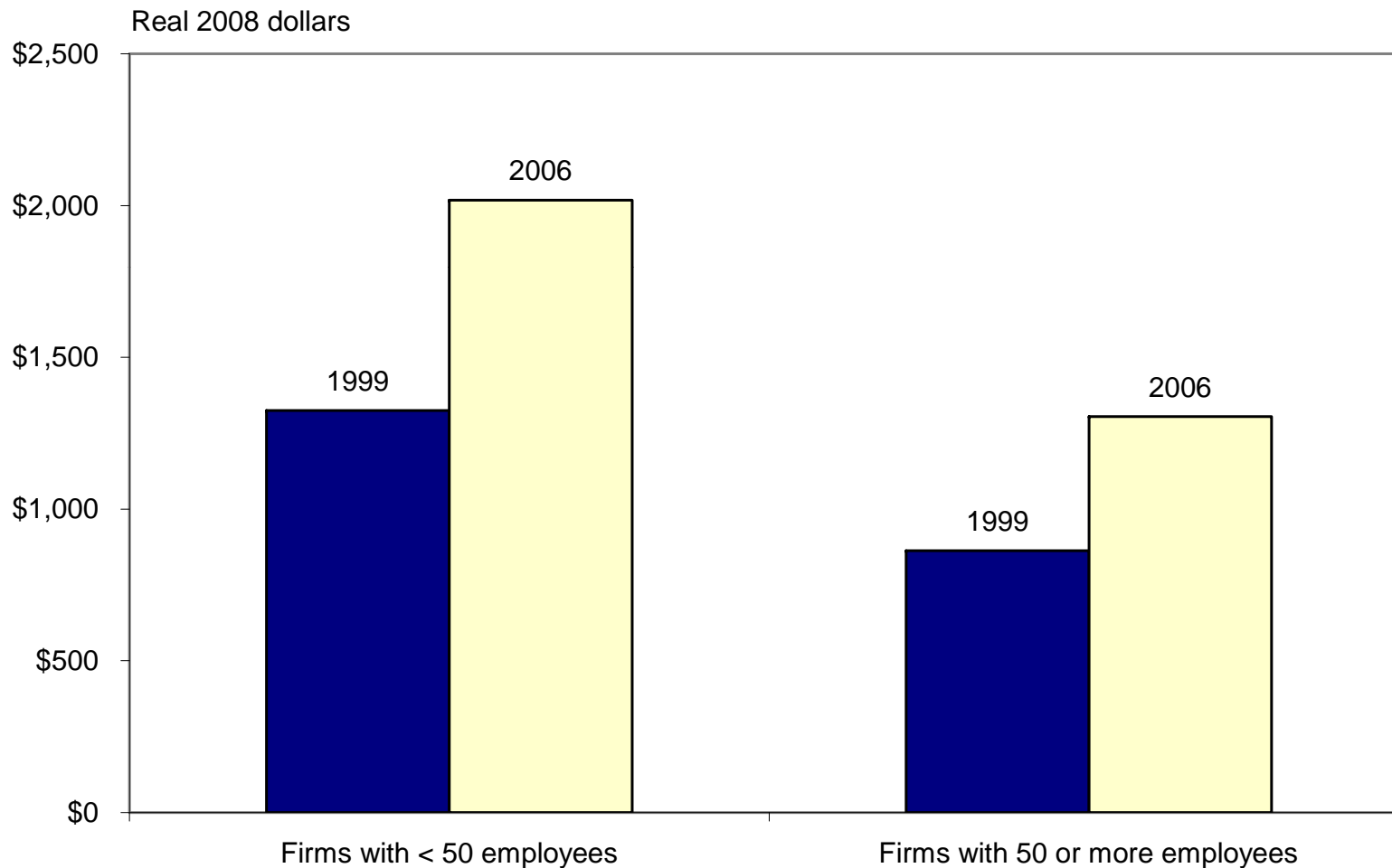
Source: The Dartmouth Institute for Health Policy and Clinical Practice. The Dartmouth Atlas.

Health Insurance Status of Non-Elderly Individuals in the United States, 2007



Source: U.S. Census Bureau. Income, Poverty, and Health Insurance Coverage in the United States: 2007.

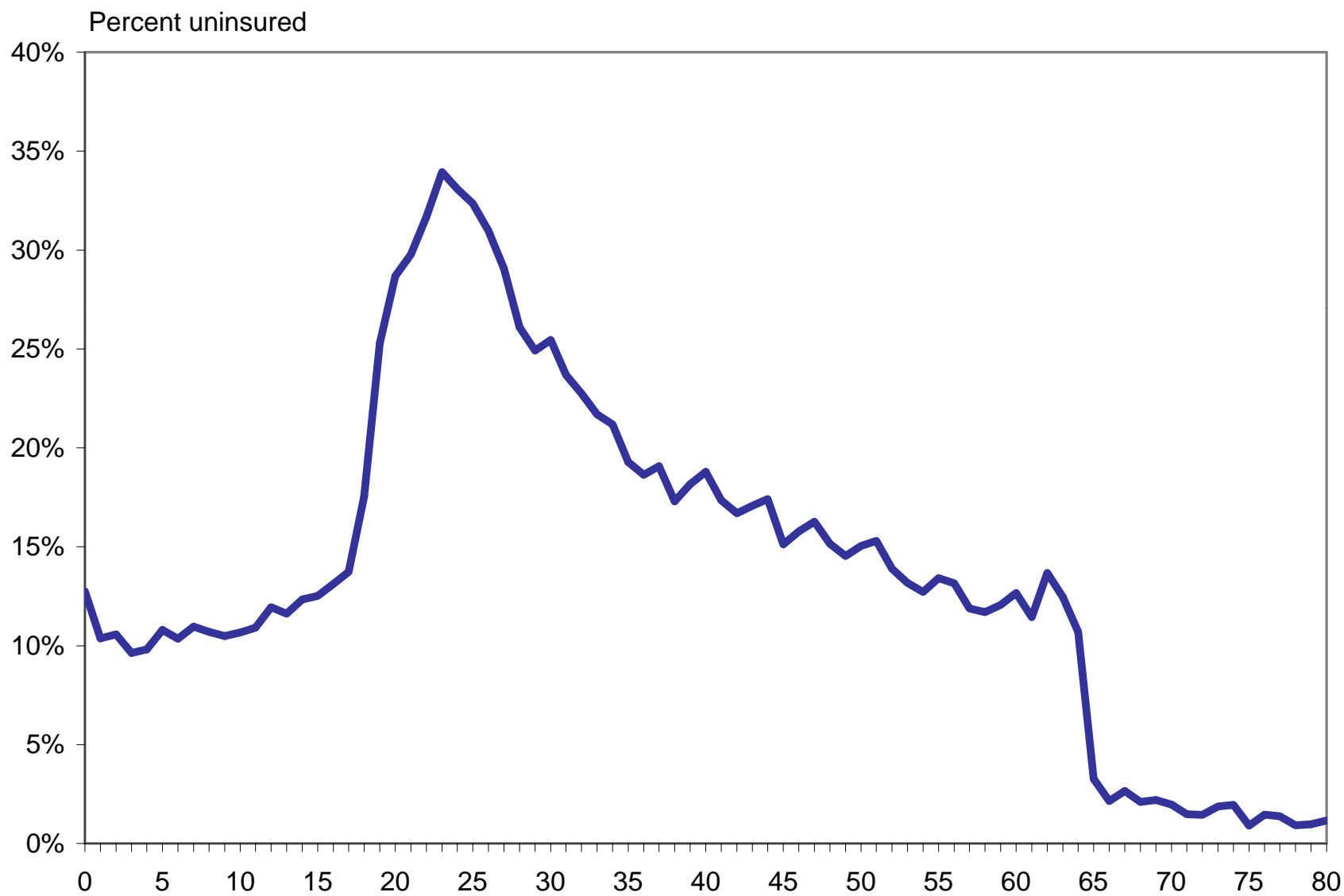
Average Employer-Sponsored Health Insurance Family Deductibles by Firm Size, 1999 and 2006



Source: Agency for Healthcare Research and Quality. Medical Expenditure Panel Survey Insurance Component (MEPS IC): 1999 & 2006.

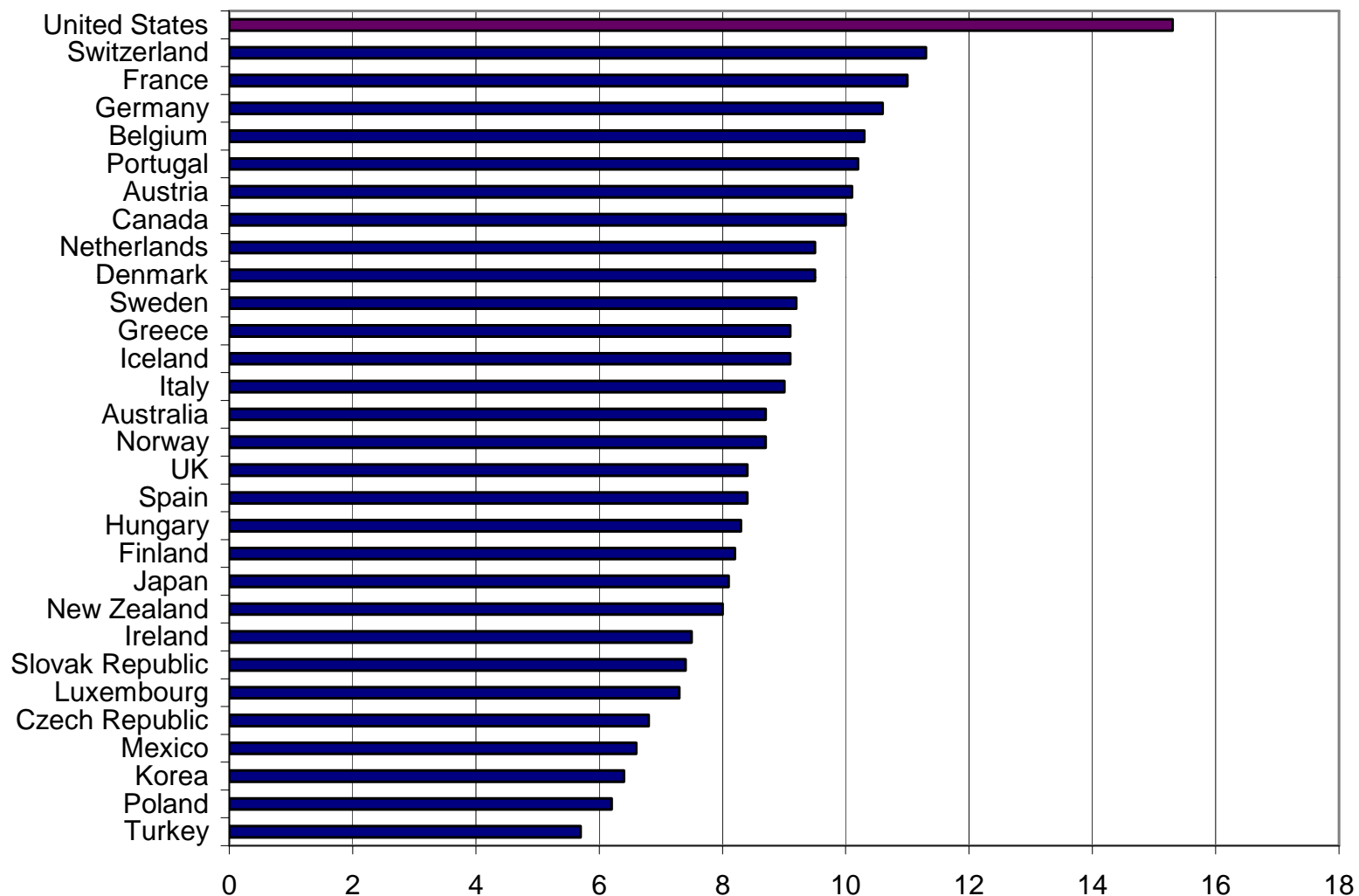
Note: Estimates are conditioned on plans that have a deductible provision.

Percent of Americans Uninsured by Age



Source: U.S. Census Bureau. 2008 Annual Social and Economic (ASEC) Supplement.

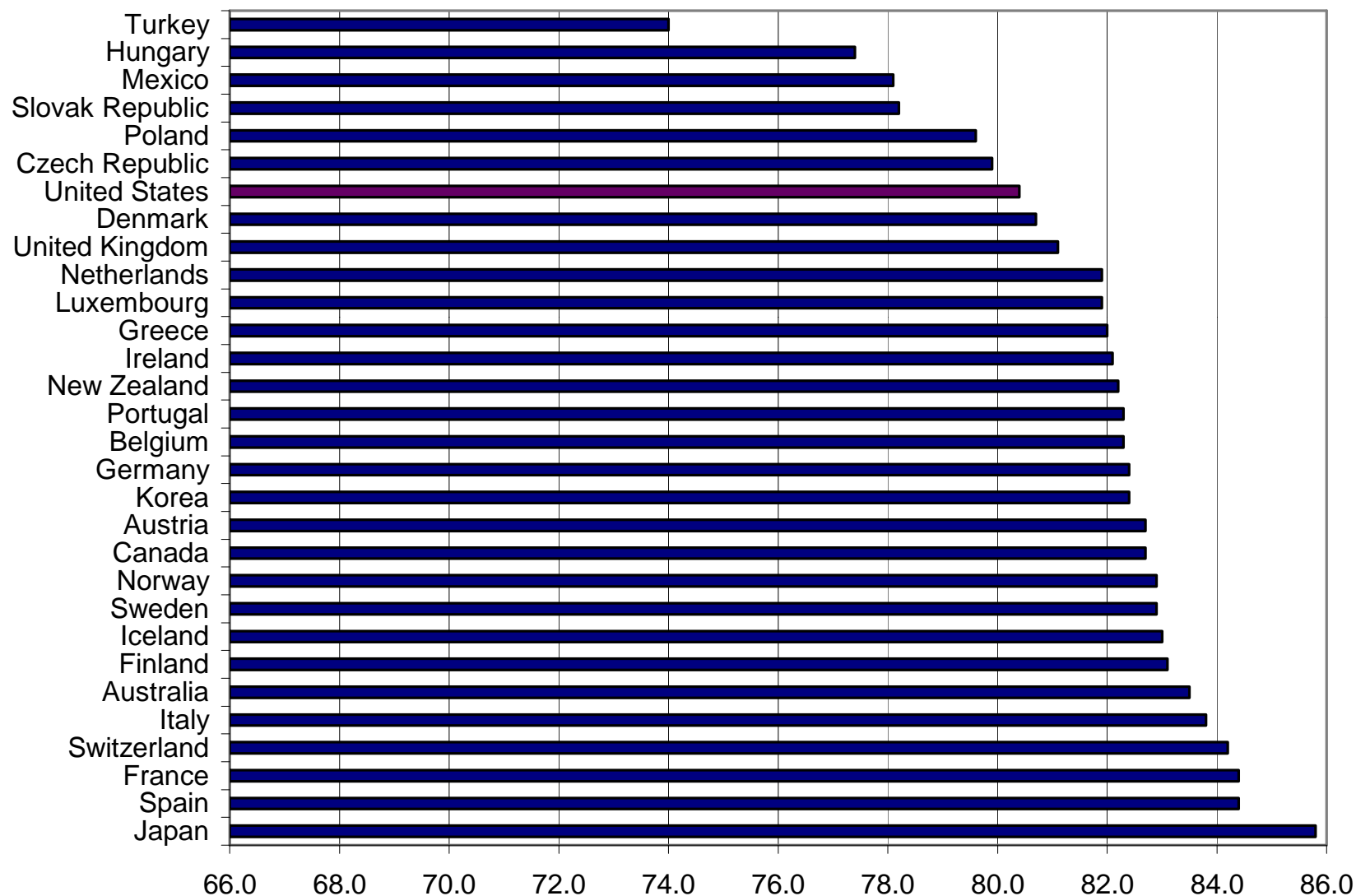
International Comparison of Health Care Spending as a Share of GDP, 2006



Source: Organization for Economic Cooperation and Development. OECD Health Data, 2008 (Paris: OECD, 2008).

Note: For countries not reporting 2006 data, data from previous years is substituted.

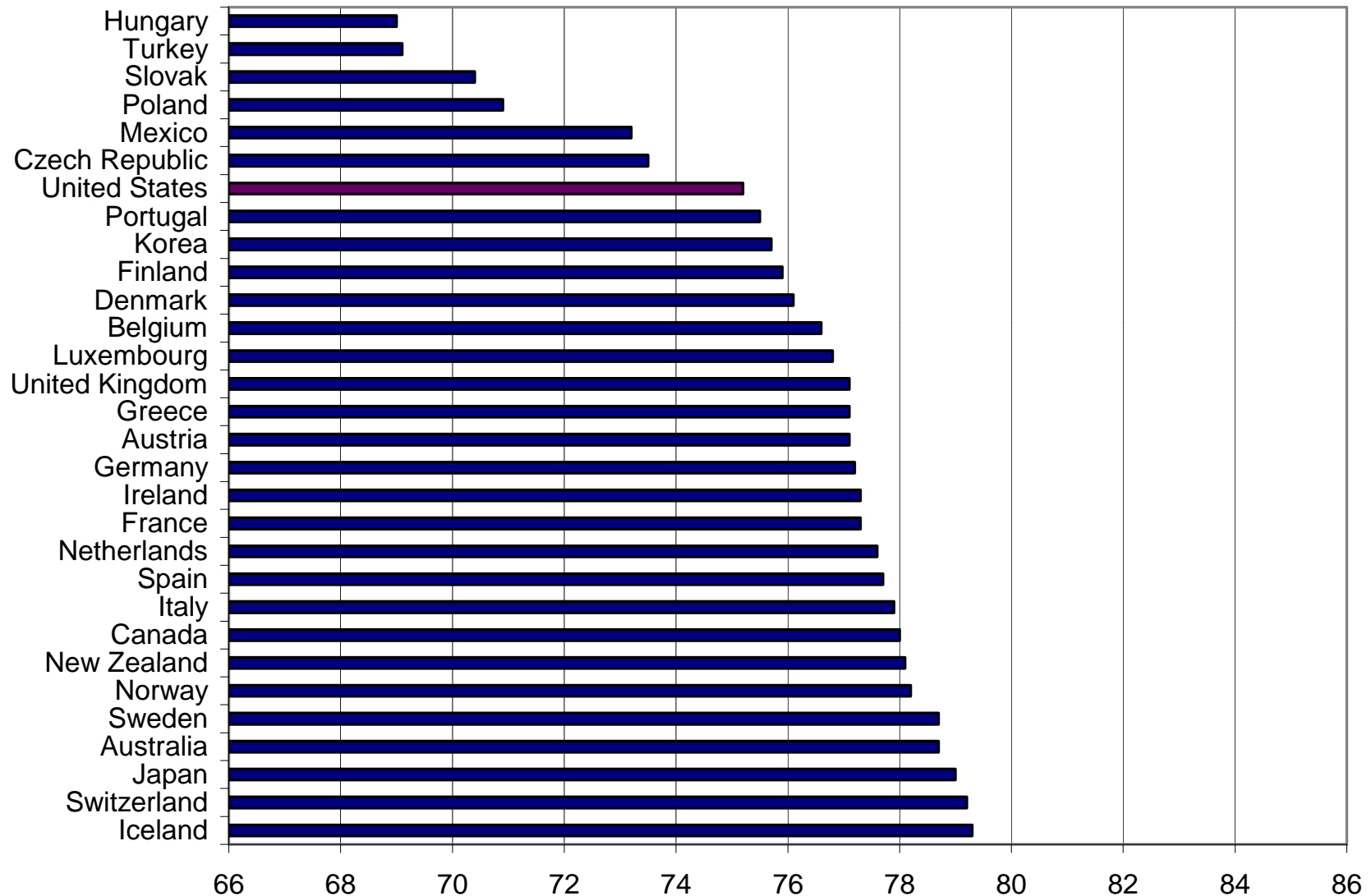
Female Life Expectancy at Birth, 2006



Source: Organization for Economic Cooperation and Development. OECD Health Data, 2008 (Paris: OECD, 2008).

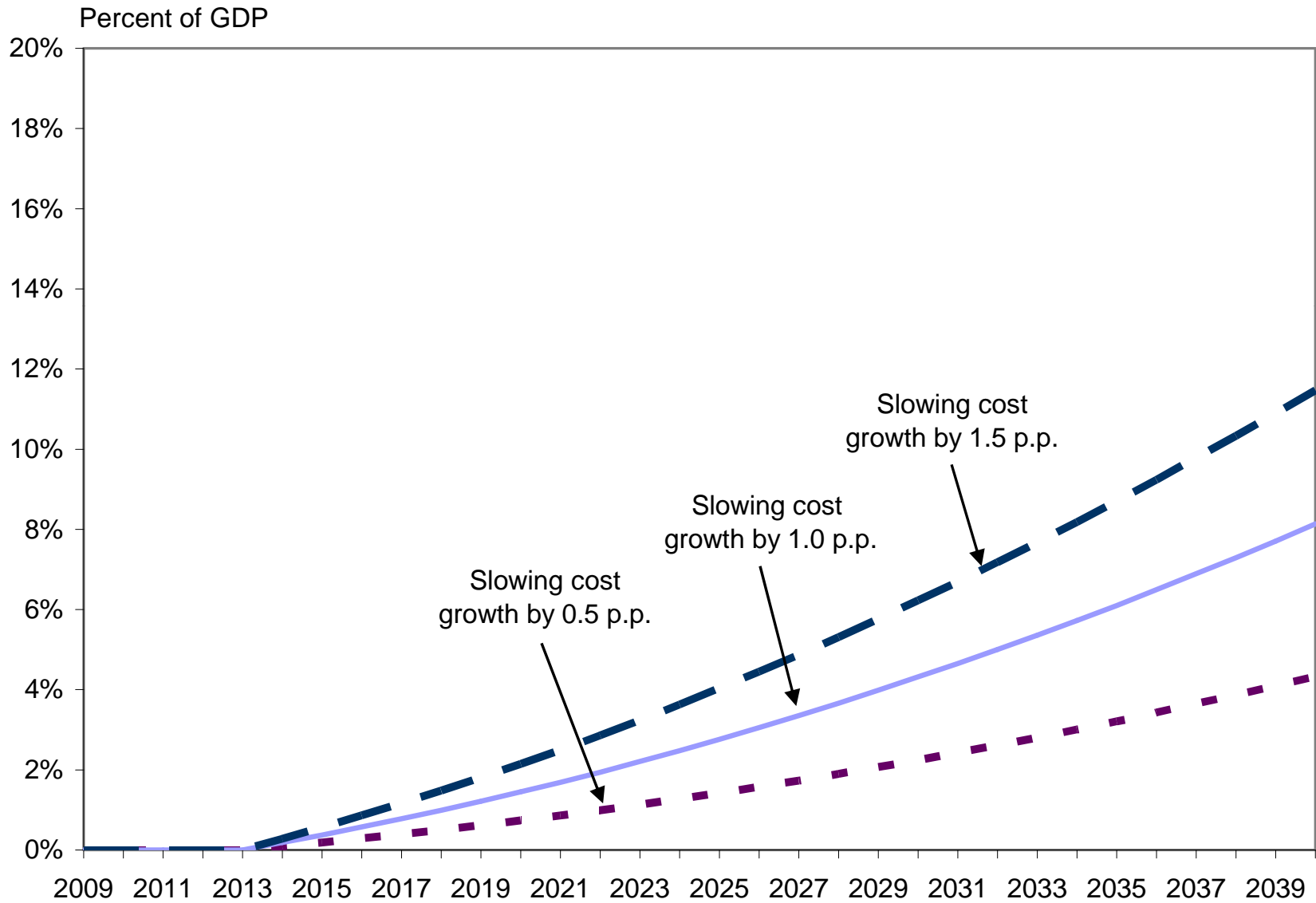
Note: For countries not reporting 2006 data, data from previous years is substituted.

Male Life Expectancy at Birth, 2006



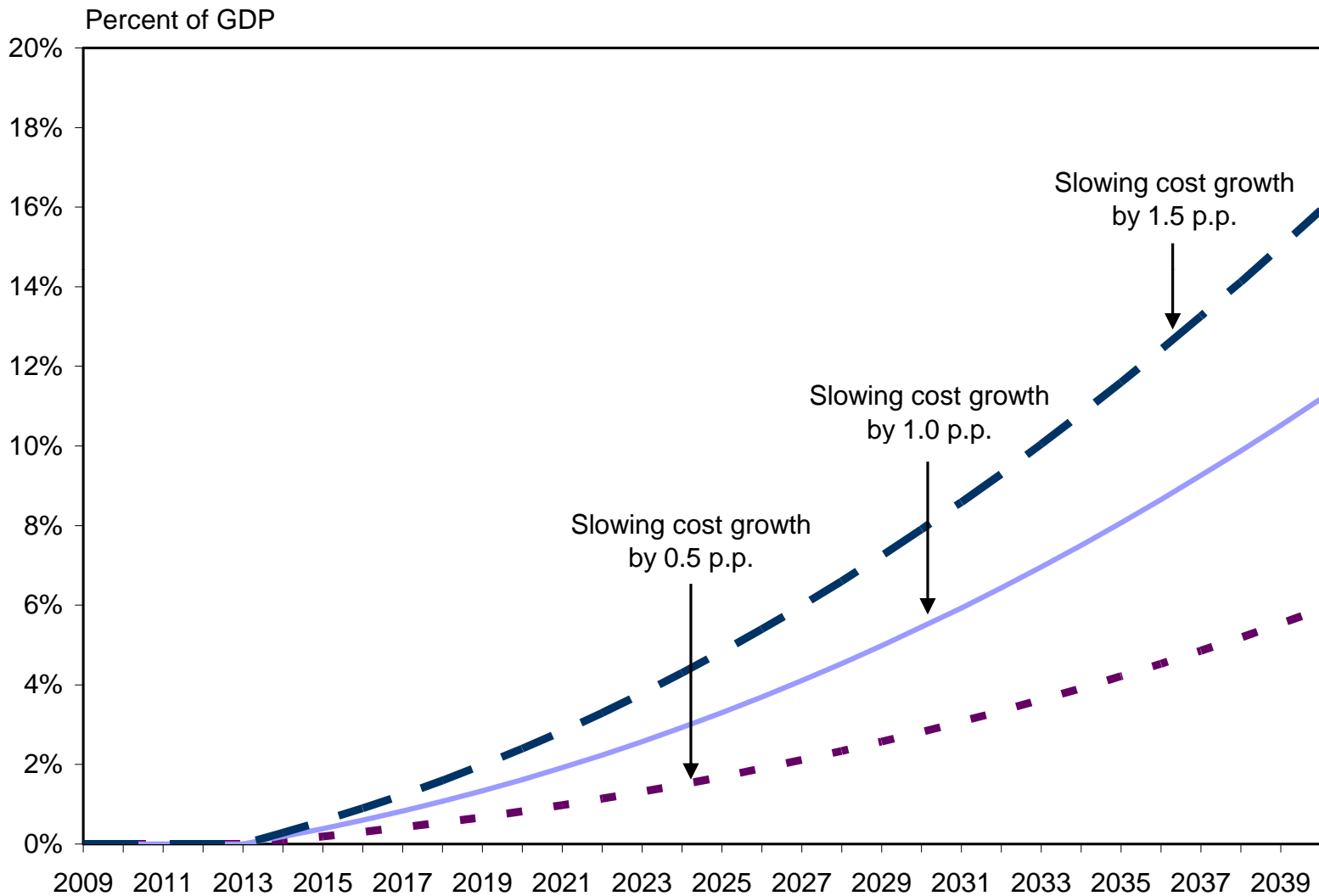
Source: Organization for Economic Cooperation and Development. OECD Health Data, 2008 (Paris: OECD, 2008).
Note: For countries not reporting 2006 data, data from previous years is substituted.

Impact on GDP of Improved Efficiency in Health Care



Source: CEA calculations.

Impact on GDP of Improved Efficiency in Health Care and Increased Capital Formation due to Lower Deficits



Source: CEA calculations.