

# THE VERDICT IS IN: HEALTH CARE COSTS ARE UNSUSTAINABLE

*“What's brought us all together today is a recognition that we can't continue down the same dangerous road we've been traveling for so many years; that costs are out of control; and that reform is not a luxury that can be postponed, but a necessity that cannot wait.”*

– President Barack Obama, 5/11/09

America faces many serious challenges, but the rising cost of health care represents one of the greatest threats to our economic growth and long-term fiscal stability. Since 2000, health insurance premiums have almost doubled, growing three times faster than wages and impacting the financial stability of all Americans [White House, 5/11/09]. In addition, the release on May 12, 2009 of the annual Social Security and Medicare Trustees Report shows increased shortfalls in the Social Security and Medicare trust funds. President Obama, Congressional Democrats, and a broad coalition of stakeholders recognize the importance of reining in these out-of-control costs and are working to reform the health care system to work for every American.

## America's Out-of-Control Health Care Costs

*Spending on health care represents the fastest growing area of the American economy and our federal budget*

Our nation currently spends \$2.4 trillion a year on health care – 17.6% of our GDP – and spending on Medicare and Medicaid has grown to \$422 billion and \$255 billion, respectively.

Without any change, government projections estimate that by 2018, health care spending will rise to \$4.4 trillion – more than one-fifth of the economy – and the government share of that cost will be more than 50 percent.

Source: Centers for Medicare and Medicaid Services

## Health Care Stakeholders Pledge to Reduce Costs

*“We are determined to work together to provide quality, affordable coverage and access for every American. It is critical, however, that health reform also enhance quality, improve the overall health of the population, and reduce cost growth.”*

– Letter to President Obama from Health Care Reform Stakeholders, 5/11/09

Major health care stakeholders – including the Advanced Medical Technology Association, America's Health Insurance Plans, American Hospital Association, American Medical Association, Pharmaceutical Research and Manufacturers of America, Service Employees International Union – voluntarily came forward and pledged to cumulatively slow the national growth rate of health care expenditures.

## Americans Support Making Health Care More Affordable

According to a recent poll by Consumers Union, 71 percent of Americans support or strongly support health care reform to ensure that everybody has access to affordable, quality health care. In addition, a majority of Americans acknowledge that they need the types of reform supported by President Obama and Congressional Democrats:

- Sixty-six percent of Americans support having a public health insurance plan option.
- Nearly two-thirds (64 percent) expressed major or moderate concern about the ability to afford doctor visits in the future.
- Sixty percent of Americans said they had a major or moderate concern about the possibility of bankruptcy because of a medical concern.

Source: Consumers Union, 4/29/09

## **Democrats Confront the Rising Costs of Health Care**

***“When it comes to health care spending, we are on an unsustainable course that threatens the financial stability of families, businesses and government itself... getting health care costs under control is essential to reducing budget deficits, restoring fiscal discipline, and putting our economy on a path towards sustainable growth and shared prosperity.”***

*– President Barack Obama, 5/11/09*

Working with President Obama, the 111th Congress has made health care a top priority, already laying the groundwork for comprehensive health care reform. President Obama and Democrats are committed to designing a plan that includes the following principles:

- 1) Reducing the rising cost of health care
- 2) Freedom to keep or choose your plan and providers
- 3) Ensuring access to quality, affordable health care for all Americans