



The Patient Protection and Affordable Care Act

The Cost of Inaction

American Families Suffer

✓ Insurance premiums skyrocket

- In 2000, family health insurance purchased through an employer cost \$6,438 and consumed 13 percent of median family income. [Kaiser Family Foundation/Health Research and Educational Trust, accessed [7/25/2009](#); U.S. Census Bureau, accessed [11/17/2009](#)]
- In 2008, the same family health insurance cost \$12,680, a 97 percent increase over the 2000 cost, consuming approximately 21 percent of median family income. [Kaiser Family Foundation/Health Research and Educational Trust, accessed [7/25/2009](#); U.S. Census Bureau, accessed [11/17/2009](#)]
- In 2016, the same insurance is projected to cost \$24,291, nearly double the 2008 cost, which will consume 45 percent of projected median family income. [New American Foundation, [11/2008](#)]

✓ Prescription drug costs soar

- In 1997, the average retail prescription drug price was \$35.72. [A. Catlin, et al, *Health Affairs*, [2/2008](#)]
- Just ten years later, in 2007, the cost had *doubled* to \$69.91. [A. Catlin, et al, *Health Affairs*, [2/2008](#)]

✓ Incomes fall

- Economists project that if health insurance reform fails, the resulting lower Gross Domestic Product (GDP) will reduce family incomes by \$2,600 in 2020. [CEA, [6/2/2009](#)]
- In 2030, family incomes will be \$10,000 lower without health insurance reform. [CEA, [6/2/2009](#)]

✓ Medical bankruptcies increase

- In 2001, 46 percent of all bankruptcies were attributable to medical costs. [D.U. Himmelstein, et al, *Health Affairs*, [2/2/2005](#)]
- By 2007, 62 percent of bankruptcies were due to medical costs. [D. U. Himmelstein, et al, *The American Journal of Medicine*, [2009](#)]

✓ More uninsured Americans

- Every day, 14,000 Americans lose their health insurance and half of non-elderly Americans will find themselves without coverage at some point in the next decade. [Center for American Progress, [2/19/2009](#); U.S. Treasury Department, [9/2009](#)]
- During the last two years, 86.7 million Americans went without health insurance for some time. [Families USA, [5/2009](#)]
- A recent study found that in ten years, without reform, the number of people without insurance will increase by more than 30 percent in 29 states, and by at least 10 percent in every state. [Robert Wood Johnson Foundation, [9/30/2009](#)]
- American families pay a “hidden tax” of \$1,100 on their health insurance premiums due to the unpaid costs of care for the uninsured. [Center for American Progress, [3/2009](#)]

American Businesses Suffer

✓ Less competitive with foreign firms

- U.S. manufacturing firms are at a competitive disadvantage due to high health costs, averaging \$2.38 per worker per hour. [New American Foundation, [5/2008](#)]
- These costs for our major trading partners are just \$0.96 per worker per hour. [New American Foundation, [5/2008](#)]
- If nothing is done to curb costs, annual health care costs per employee could increase by 166 percent to nearly \$29,000 over the next decade. [Hewitt Associates, [9/2009](#)]

✓ **Fewer small businesses offer coverage**

- In 2000, 68 percent of small businesses were able to offer health insurance coverage to their employees. [Kaiser Family Foundation/Health Research and Educational Trust, accessed [7/25/2009](#)]
- In 2007, just 59 percent of small businesses offered health benefits. [Kaiser Family Foundation/Health Research and Educational Trust, accessed [7/25/2009](#)]

✓ **Small business premiums soar**

- During the past four years, 1 in 5 small businesses reported premium increases of 20 percent annually. [National Small Business Association, [3/23/2009](#)]
- Among small businesses offering coverage, 40 percent report spending more than 10 percent of their payroll on health costs. [Main Street Alliance, [1/2009](#)]

National Economy Suffers

✓ **Total health care spending rises**

- In 2007, the U.S. spent \$2.2 trillion on health care, \$7,421 per capita. [Kaiser Family Foundation, [3/2009](#)]
- By 2025, one out of every four dollars in our national economy will be tied up in the health care system. [CBO, [11/2007](#)]

✓ **Gross Domestic Product (GDP) increasingly devoted to health care**

- In 2007, the U.S. devoted 16 percent of its GDP to health care, nearly twice the average of other developed nations. [Health and Human Services, accessed [3/11/2009](#); Organisation for Economic Cooperation and Development, [12/10/2008](#)]
- In 2009, health care is projected to consume 18 percent of GDP. [CEA, [6/2/2009](#)]
- By 2030, 28 percent of GDP will be devoted to health care. [CEA, [6/2/2009](#)]
- By 2040, health care will consume 34 percent of GDP. [CEA, [6/2/2009](#)]

✓ **Federal budget increasingly devoted to health care**

- In 2008, the U.S. devoted 4 percent of GDP to Medicare and Medicaid. [Congressional Budget Office, [1/31/2008](#)]
- In 2025, the U.S. is projected to spend 7 percent of GDP on Medicare and Medicaid. [Congressional Budget Office, [1/31/2008](#)]
- By 2040, 15 percent of GDP will be devoted to Medicare and Medicaid. [CEA, [6/2/2009](#)]

✓ **Lost economic output**

- This year, the U.S. economy will lose \$124 - \$248 billion due to the shorter lives and poorer health of the uninsured. [Center for American Progress, [5/29/2009](#)]

Who Wins Under the Status Quo Plan?

✓ **Insurance companies and CEOs rack up high profits and salaries**

- In 2000, the 10 largest publicly traded health insurance companies had profits of \$2.4 billion.
- By 2007, profits at those firms had jumped to \$12.9 billion, a 428 percent increase. CEO salaries at these firms were \$118.6 million, an average of \$11.9 million each. [Health Care for America Now, [5/2009](#)]

✓ **Prescription drug company profits soar**

- In 2007, prescription drug companies had a profit margin of 15.8 percent.
- The same year, profit margins at all Fortune 500 firms were 5.7 percent. [Kaiser Family Foundation, [9/2008](#)]