

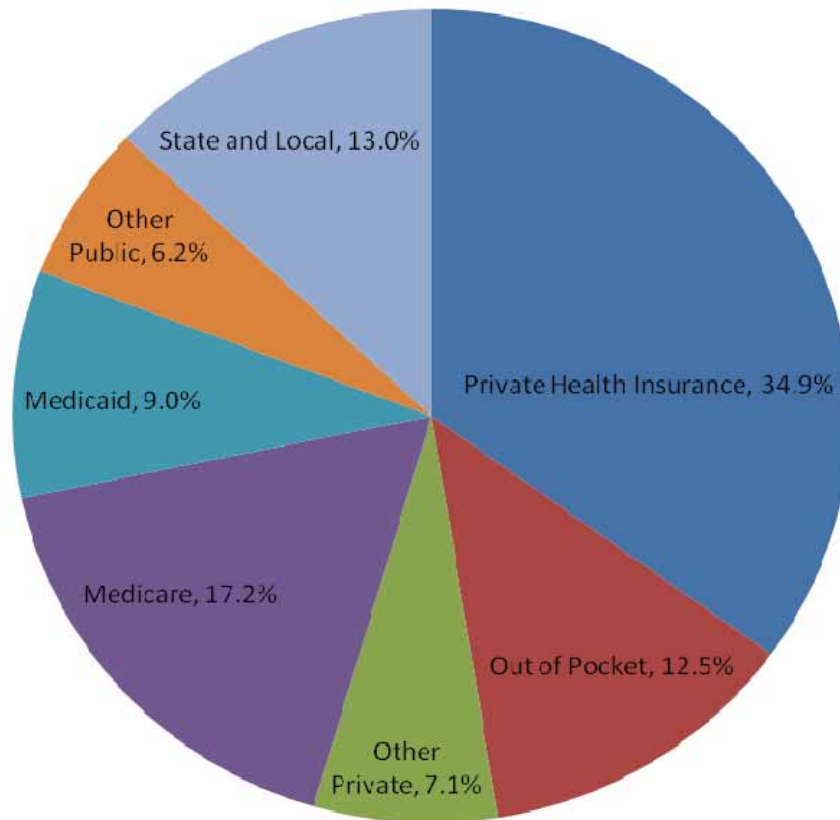


HEALTH CARE IN THE U.S.

An Overview

How is the U.S. Health Care system organized?

Spending Distribution by Payer, 2005



The U.S. health care system has both private and public insurers, as is the case with most countries. Unlike most countries, in the U.S. the private insurance component is larger than the public insurance component, with private funding accounting for 55% of medical spending

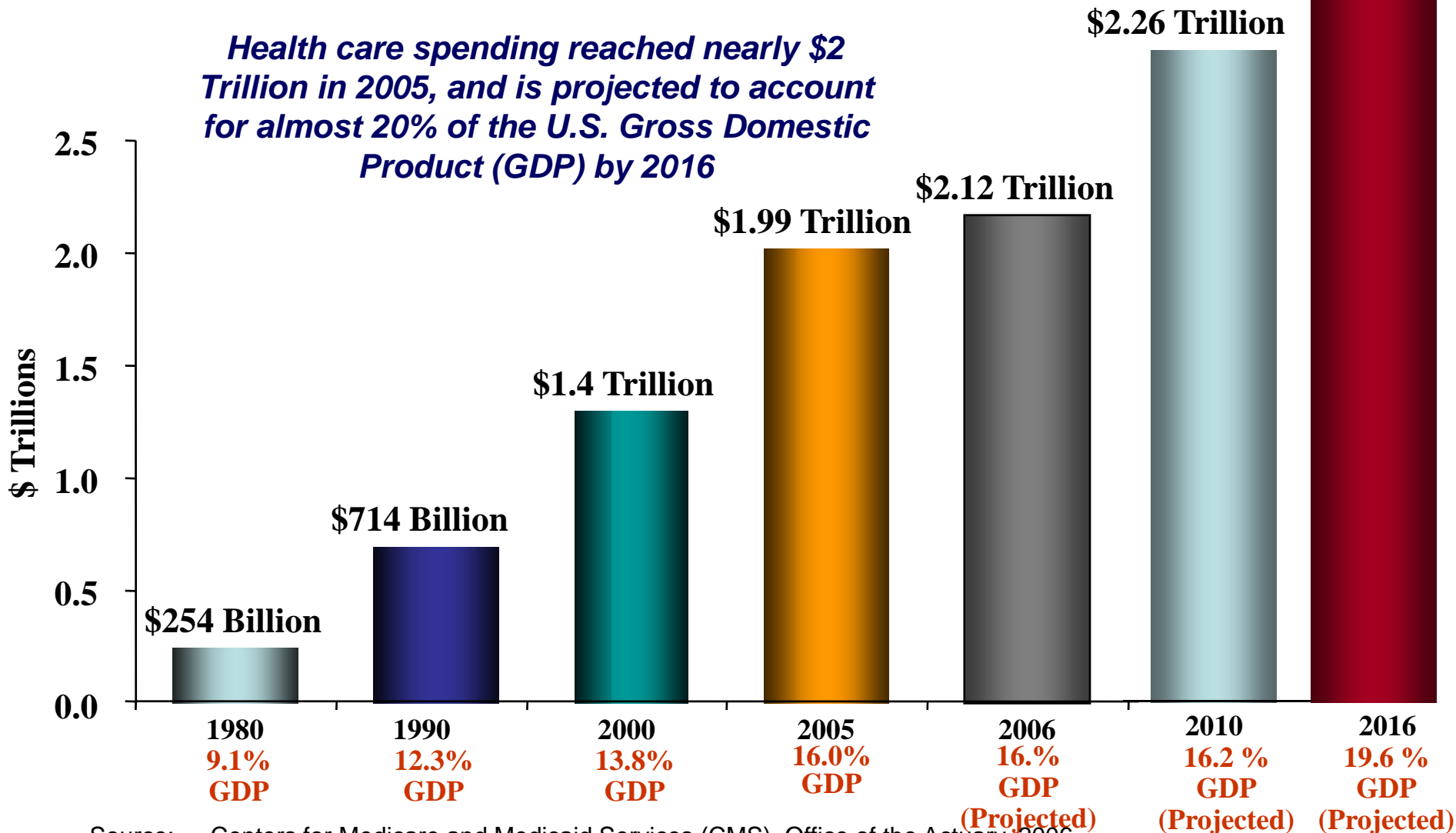
Source: Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, 2006

Note: Other public includes Veterans, Defense, and the State Children's Health Insurance Program (SCHIP). Other private includes philanthropy and in-plant industrial health services



U.S. Health Care Expenditures

Health care spending reached nearly \$2 Trillion in 2005, and is projected to account for almost 20% of the U.S. Gross Domestic Product (GDP) by 2016

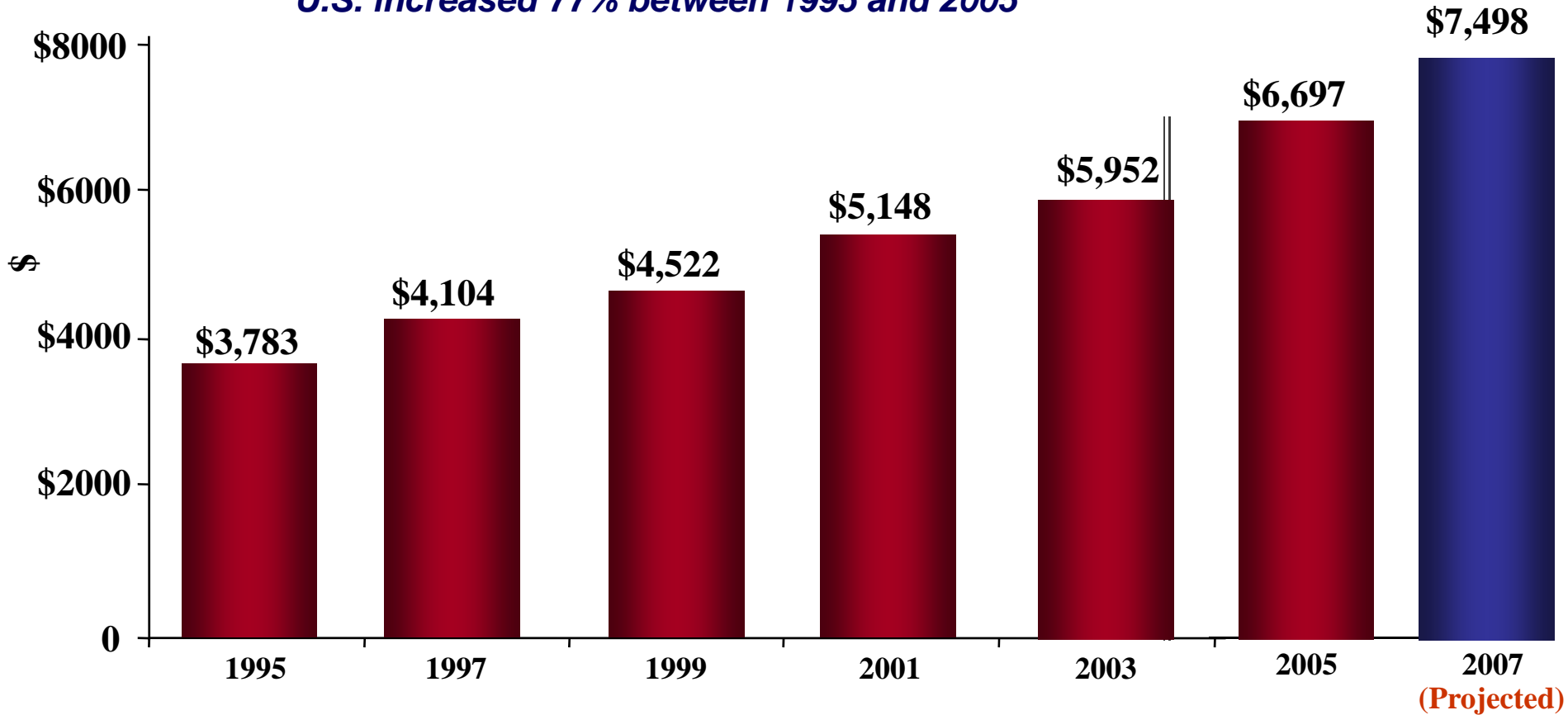


Source: Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, 2006

Note: Years 2006 forward are CMS projections

National Health Spending Per Person

The amount spend on health care per person in the U.S. increased 77% between 1995 and 2005



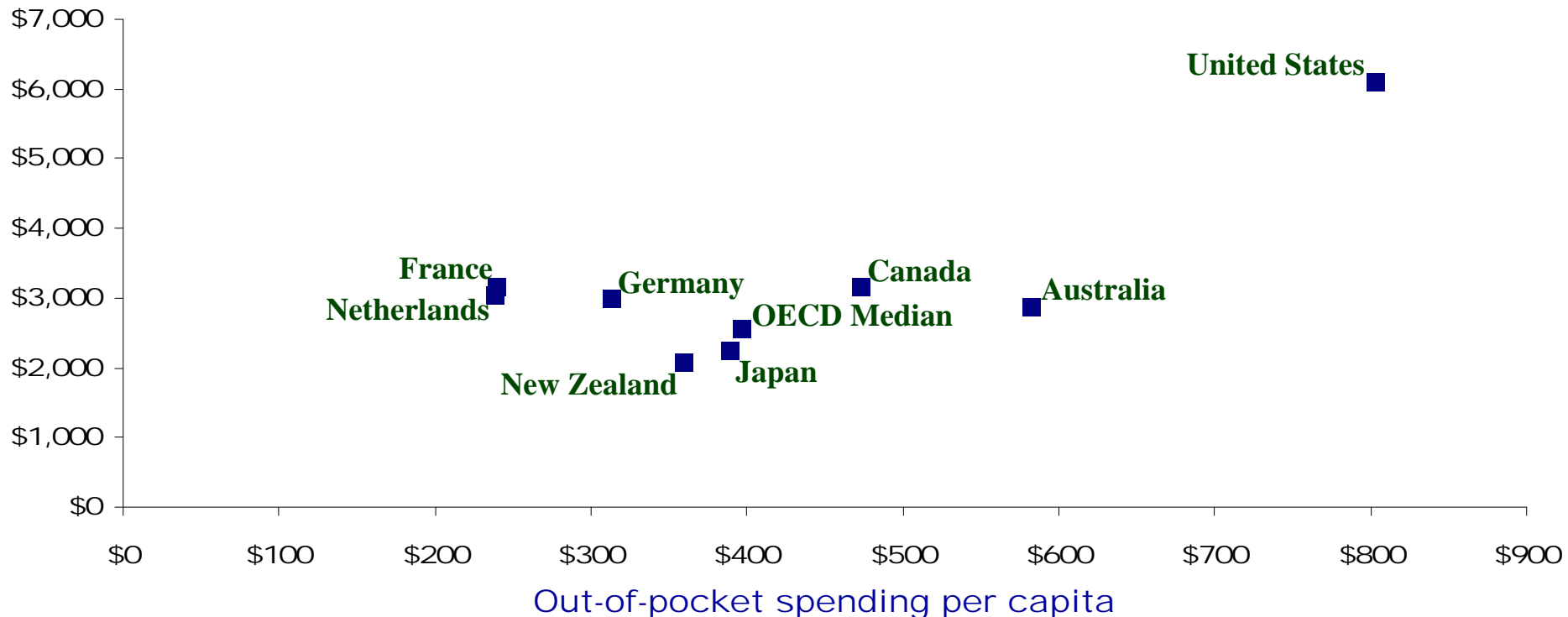
Source: Centers for Medicare and Medicaid Services (CMS), Office of the Actuary, 2006

Note: Years 2007 is a CMS projections

Health Care Expenses In an International Context

The U.S. spends significantly more per person on health care than other developed countries, both in total spending and out-of-pocket spending

Total health care spending per capita



Source: The Commonwealth Fund, calculated from 2004 OECD Health Data released in 2006.

For all the Money We Spend, How Well Does Our System Perform?

A Commonwealth Fund study ranked the performance of the health systems of six countries, with 1 being the highest ranking and 6 being the lowest. The U.S. ranked at or near the bottom in 9 of the 10 categories.

Country Rankings	
	1.0-2.66
	2.67-4.33
	4.34-6.0

	AUSTRALIA	CANADA	GERMANY	NEW ZEALAND	UNITED KINGDOM	UNITED STATES
OVERALL RANKING	3	5	1	4	2	6
Quality Care	4	6	1	2	3	5
Right Care	5	6	1.5	1.5	3.5	3.5
Safe Care	4	5	1	3	2	6
Coordinated Care	3	5	1	2	4	6
Patient-Centered Care	4	6	2	1	3	5
Access	3	5	1	4	2	6
Efficiency	4	5	3	2	1	6
Equity	2	5	4	3	1	6
Long, Healthy, and Productive Lives	1	3	2	4.5	4.5	6
Health Expenditures per Capita, 2004	\$2,876	\$3,165	\$3,005	\$2,083	\$2,546	\$6,102

Rankings of the United States on Select Indicators (2004 Data)

Despite spending more than twice what many other developed countries spend on health care, the U.S. does not fare well in many objective indicators of life expectancy and mortality

- 10th for age-adjusted mortality
- 13th for low-birth-weight percentages
- 13th for neonatal mortality and infant mortality overall
- 13th for years of potential life lost (excluding external causes)
- 11th for life expectancy at 1 year for females, 12th for males
- 10th for life expectancy at 15 years for females, 12th for males
- 10th for life expectancy at 40 years for females, 9th for males
- 7th for life expectancy at 65 years for females, 7th for males
- 3rd for life expectancy at 80 years for females, 3rd for males

Comparison set includes Japan, Sweden, Canada, France, Australia, Spain, Finland, the Netherlands, the United Kingdom, Denmark, Belgium, the United States, and Germany



The Uninsured in the U.S.

- It is estimated that approximately 47 million Americans, or 16%, did not have health insurance in 2006.
- An additional 16 million nonelderly adults appear to be underinsured, given how much they have to spend on medical costs relative to their income.
- The percentage of Americans who are uninsured varies greatly across states, from 10% to almost 28%, and have continued to rise for the past several years.
- Employer-provided health insurance remains the predominant form of coverage for U.S. workers and their families.
- Significant increases in medical costs and insurance premiums over the past several years has made it difficult or impossible for many companies to offer comprehensive medical coverage to their workers. Many employers, especially small firms, are eliminating insurance coverage or shifting more costs to their workers.



Who Are the Uninsured?

- **80% of the uninsured in America come from working families:**
 - 70% with one or more full-time workers
 - 10% with one or more part-time workers
- **80% are native or naturalized citizens**
- **About 65% of the uninsured are non-elderly poor or near-poor:**
 - The Poor are defined as those making less than the federal poverty level - \$20K for a family of 4
 - The Near-poor are those defined as making less than 200% of the federal poverty level - \$40K for a family of 4



What's Good About Our Health Care System?

*If you have access to the health care system and can afford it,
the U.S. offers the best care available in the world.*

- **U.S. physicians, hospitals and other providers deliver the best care available for very sick and badly injured patients.**
- **Providers in the U.S. are sought out by patients and providers around the world for their skill in diagnosing and treating difficult or mysterious illnesses and conditions.**
- **The U.S. leads the world in developing innovative treatments, therapies and medical technologies that can be used to save lives and improve the quality of life for many patients.**
- **Medical education institutions in the U.S. – medical schools, nursing schools, teaching hospitals – are recognized as premier institutions that are among the world's best in training clinicians.**
- **U.S. academic medical centers and biomedical research organizations conduct top-notch research and regularly produce new drugs and therapeutics that improve lives around the world.**



Summary

- The U.S. health system works well for those who can afford to take advantage of it –
but it fails those who do not have insurance and cannot afford the care they need
- Health Care is consuming a bigger and bigger chunk of the economy, putting our economic system at risk and hurting and our ability to fund programs like education, defense and Social Security
- We need to address significant issues of cost, access and quality