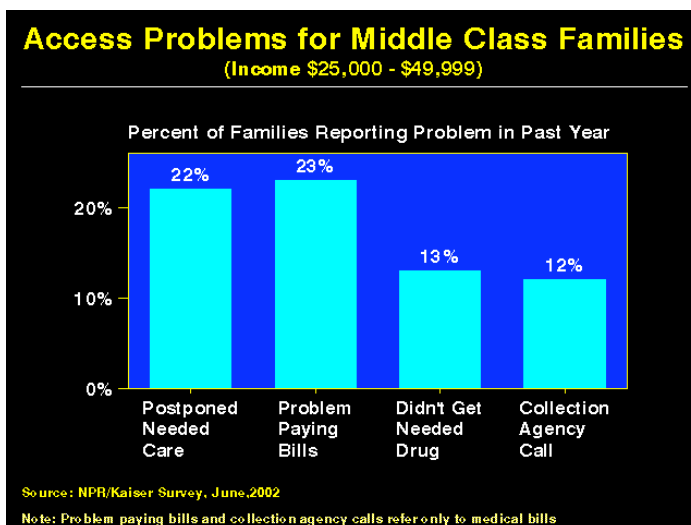
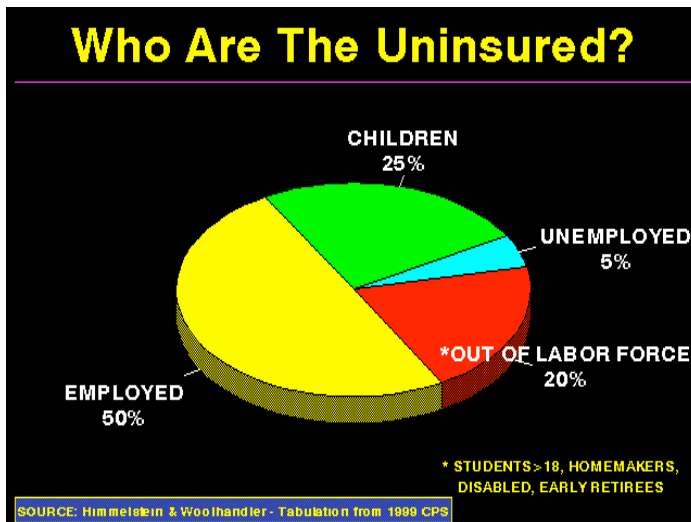


# Current Problems with Health Care in the United States:

What is all the fuss about?

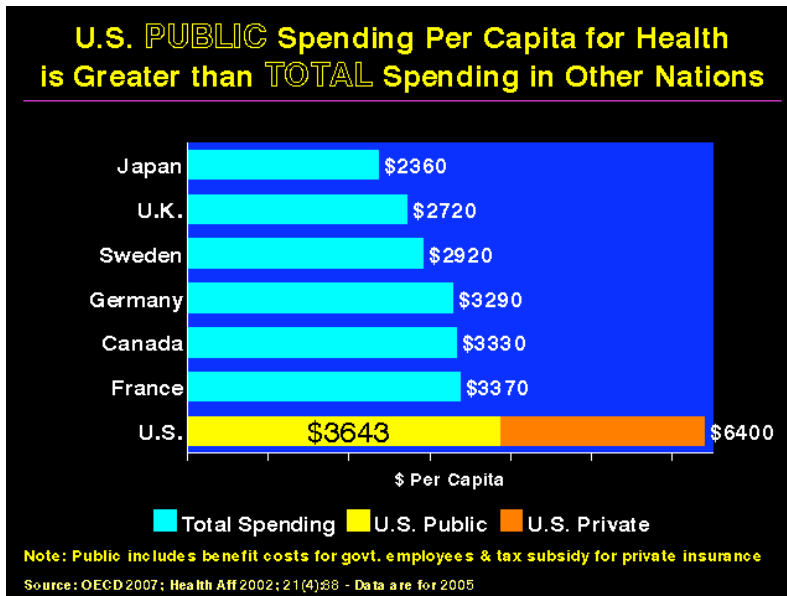
## ▪ Diminishing Access to Health Care

- 47 million Americans without health insurance (15% of population)
  - 25% of uninsured are children (nearly 12 million children)
- Over 18,000 Americans die each year because they lack health insurance.
- Discrimination in Health Care Coverage - Percentage without insurance
  - 32.7% Hispanic Americans
  - 19.7% African Americans
  - 16.8% Asian Americans
  - 11.3% Caucasian Americans



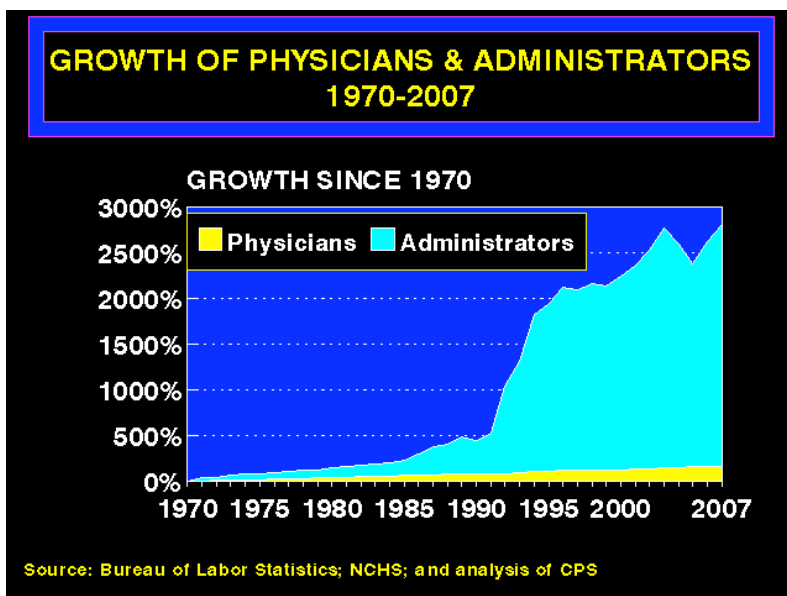
## ▪ Rising Cost of Health Care

- Health care spending is currently over 15% of GDP
- The U.S. spends over twice the amount per capita on health care compared with all other industrialized nations.

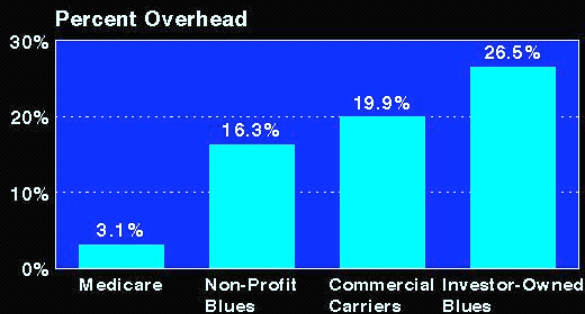


## ▪ The U.S. Health Care System Wastes Money

- Approximately 1/3 of health care dollars are spent on insurance paperwork, bureaucracy and administration and not directly on patient care.
- Private Insurers have much higher overhead costs compared with public programs
- HMO CEO Compensation consumes millions of health care dollars annually



## Private Insurers' High Overhead Investor-Owned Plans are Worst



Source: Schramm, Blue Cross Conversion, Abell Foundation, and CMS

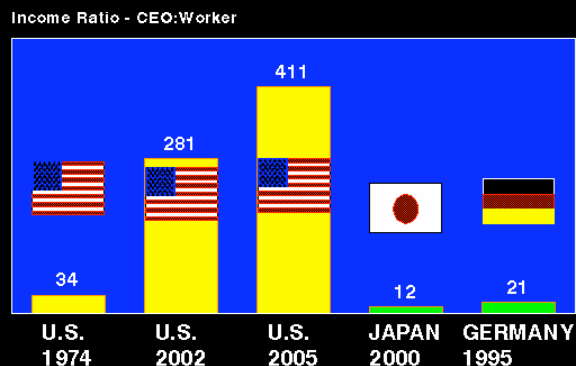
## HMO CEO's Pay and Stock Holdings, 2005 (Millions of \$)

Executive	Firm	Pay	Stock/Options
William McGuire	United	\$37.7	\$1,776.5
Dale Wolf	Coventry	\$22.8	\$69.5
John Rowe	Aetna	\$19.7	\$446.6
Anthony Marlon	Sierra	\$19.3	\$8.5
Edward Hanaway	Cigna	\$17.7	\$95.6
Larry Glasscock	Wellpoint	\$16.3	\$55.9
Michael McCallister	Humana	\$3.2	\$80.2

Note: William McGuire is guaranteed \$5 million annually AFTER retirement

Source: New York Time April 9, 2006 & AFL/CIO

## Salaries of CEO's Compared To Average Workers

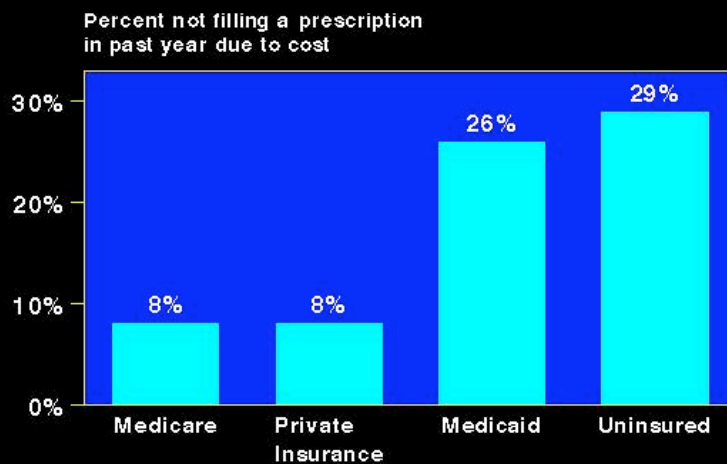


Source: Crystal Report, NY Times 4/7/02:12, United for a Fair Economy

## ■ Medical Bills Cause Financial Hardship

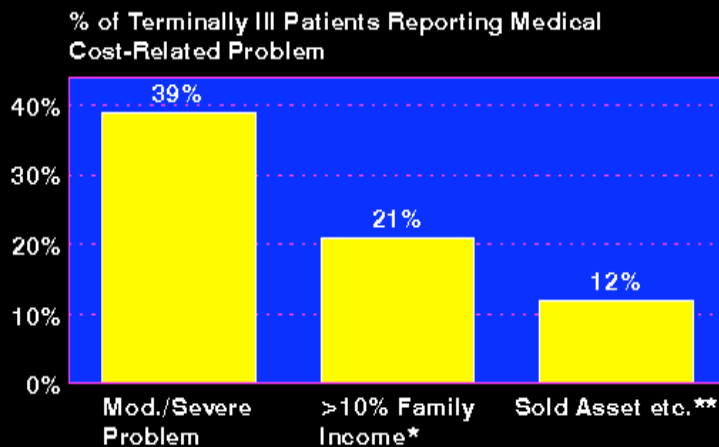
- Medical Bills are the #1 cause of personal bankruptcy and over 70% of bankruptcy filers had some form of health insurance.
- 25% of people surveyed in 2006 said they had problems paying medical bills.
- Nearly 40% of the terminally ill report financial hardship and suffering at the end of their life.

### Millions Can't Afford Prescriptions



Source: Ctr for Studying Health System Change - Issue Brief # 51, 4/2002

### Financial Suffering at the End of Life

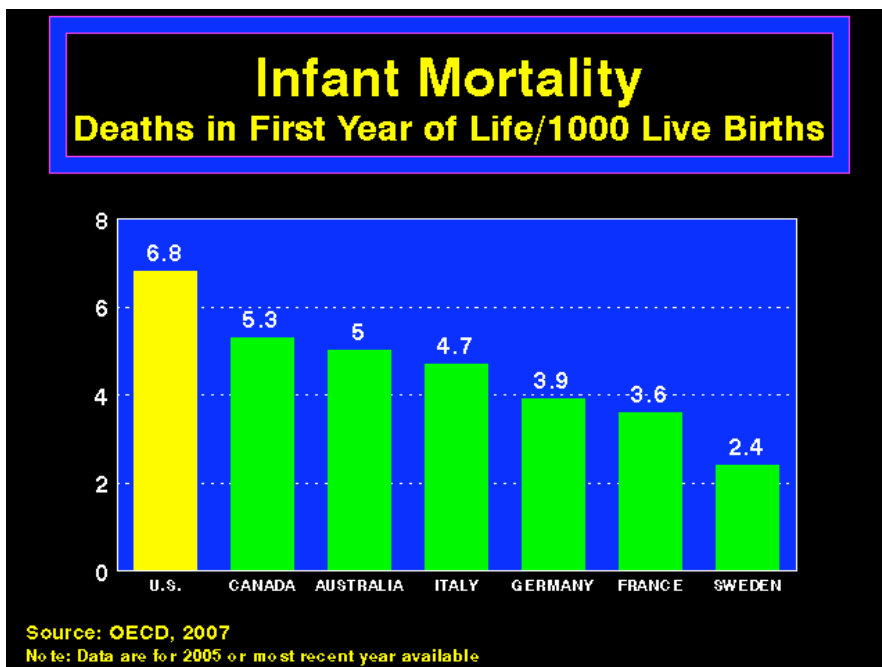
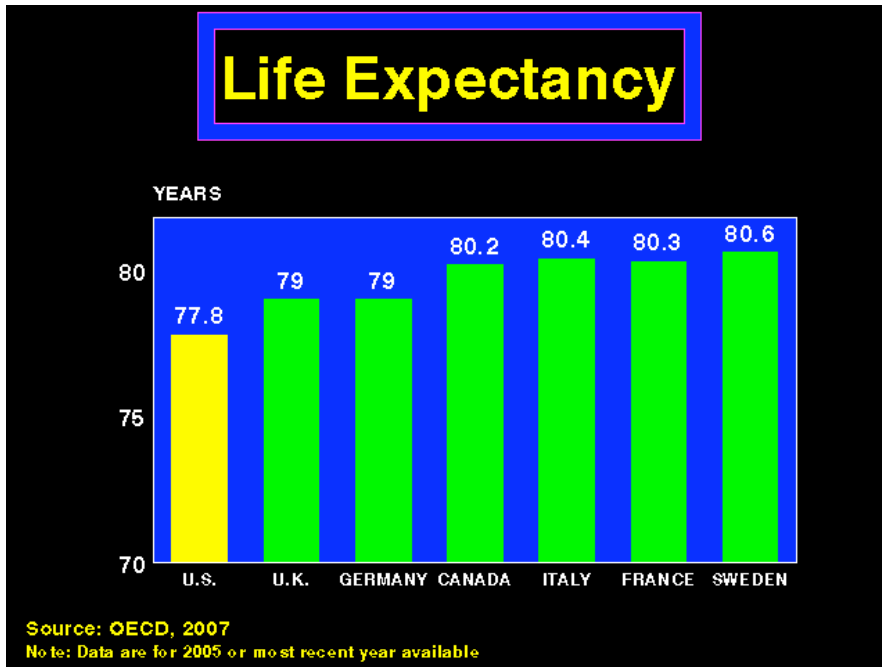


Source: Ann Int Med 2000; 132:451 - Study of 988 terminally ill patients

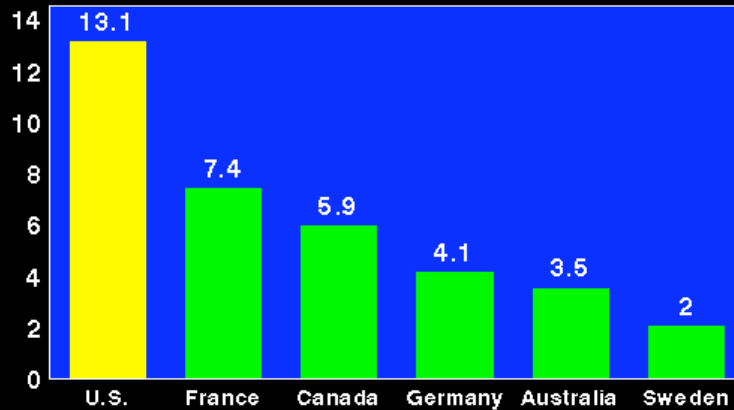
\* Out-of-pocket medical costs > 10% of household income

\*\* Patient or family sold assets, took out mortgage, used savings or took extra job

- **Suboptimal Quality of Health Care is Delivered**
  - The health care system of the United States is ranked 37<sup>th</sup> in the world by the WHO (World Health Organization)
  - The infant and maternal mortality is higher and the life expectancy is lower in the U.S. as compare with other industrialized countries.
  - Overcrowding in Emergency and Urgent Care situations



## Maternal Mortality Deaths/100,000 Births



Source: OECD, 2007

Note: Data are for 2005 or most recent year available

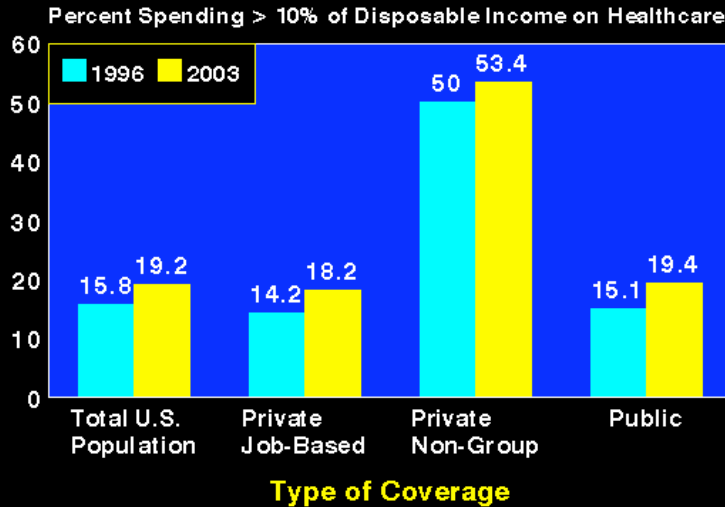
## Emergency Department Overcrowding

- Institute of Medicine  
2006
  - Half a million times per year (averaging once every minute) an ambulance is diverted from an ED that is full and sent to one that is further away.



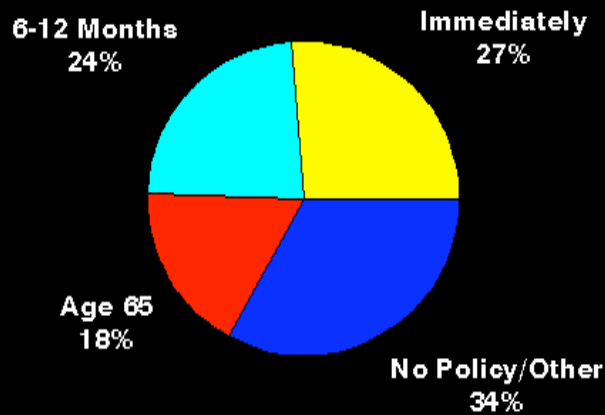
- **Even Those With Health Insurance Are At Risk**
  - Since health insurance is linked with employment, it only takes one debilitating illness or injury that could lead to the loss of a job and thus loss of insurance.

## More Americans are UNDER-insured



Source: JAMA 2006;296:2712

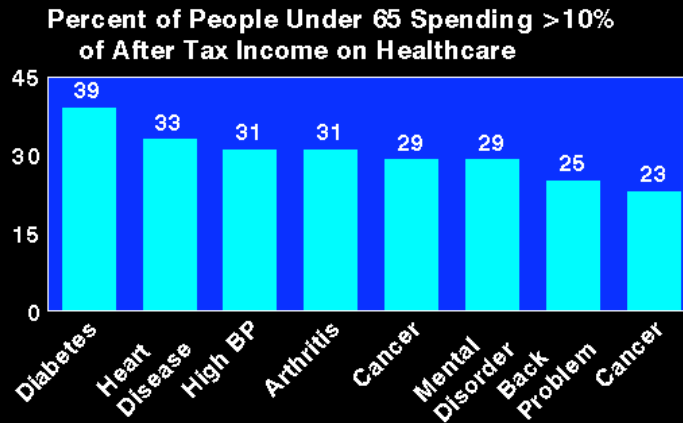
## How Quickly Do Employers Stop Health Benefits for Disabled Workers?



Source: Wall Street Journal 7/14/03

## When Illness Strikes . . .

Many Find They're Underinsured



Source: JAMA 2006; 296:2712

- Health Care Industry is Profitable despite poor health care markers, diminished access to care and financial hardships of general public

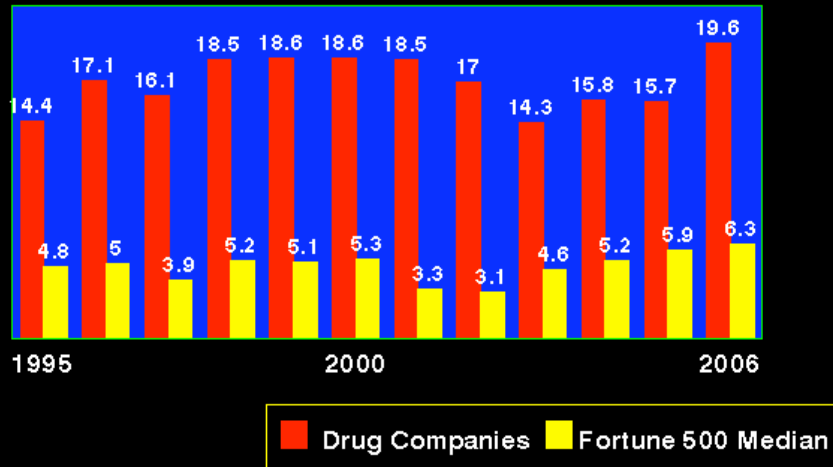
## Health Industry Profits, 2006

Pharmaceuticals	\$49.0 billion
Insurers/HMOs	\$12.0 billion
Equipment/Supplies	\$5.2 billion
Hospitals/Nursing Homes	\$1.4 billion
Distributors/Wholesalers	\$2.7 billion

Source: Fortune Magazine April 30, 2007

# Drug Company Profits, 1995-2006

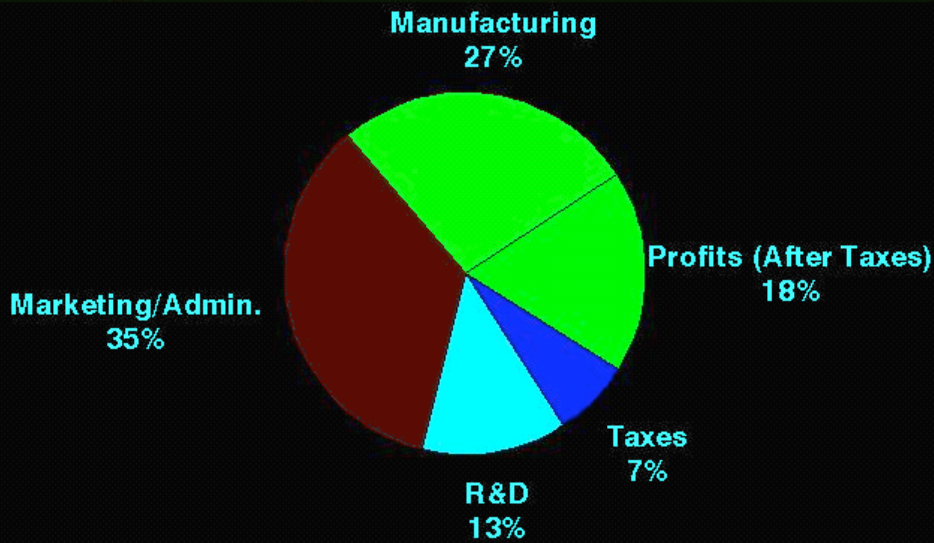
Return on Revenues (%)



Source: Fortune 500 rankings for 1995-2006

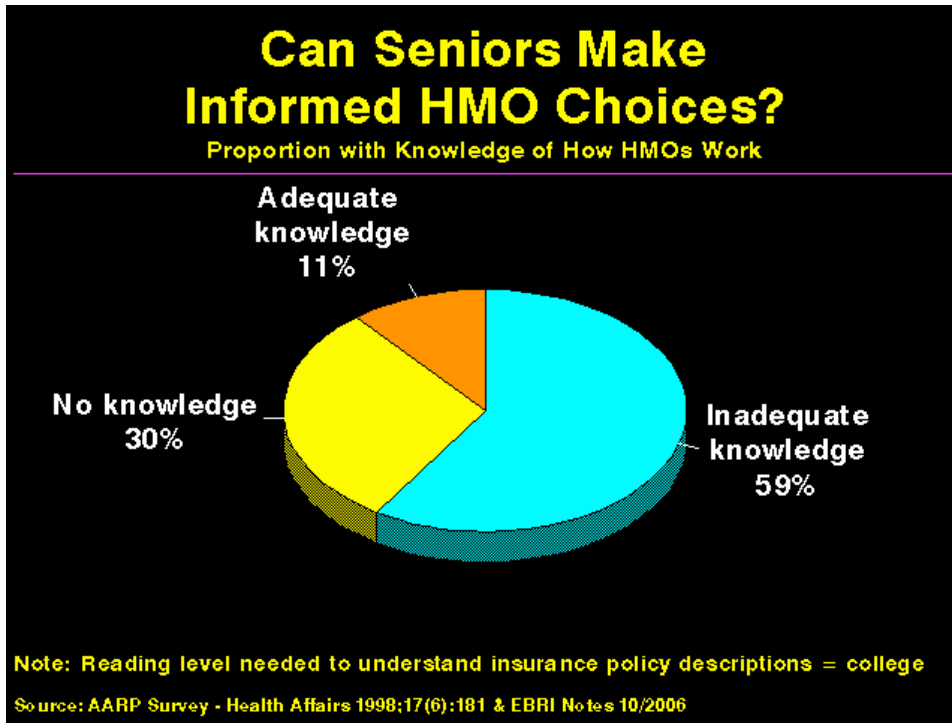
Total drug company profits, 2006 = \$49.0 billion

# Drug Companies' Cost Structure



Source: Health Affairs 2001; 20(5):136

- **Current System is Confusing for Patients**



NOTE: Slides and Pictures are from Physicians for a National Health Program's Educational Power Point Presentation 2008  
[www.pnhp.org](http://www.pnhp.org)