

Facts About Health Care in the U.S.

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Here are some more facts about health care in the United States.

COSTS ARE TOO HIGH

In 2007, 72 million people reported a problem paying their medical bills or had accrued medical debt. That's roughly forty-one percent of adults under age 65. This number is up from 34 percent, or 58 million, in 2005.

7 million adults 65 and older also reported bill or debt problems in 2007.

One-third of adults spend 10 percent or more of their income on health insurance and health care, up from 21 percent in 2001.

More than half of adults in families with incomes under \$20,000 and more than one-third of adults earning between \$20,000 and \$60,000 spend 10 percent or more of their income on health care.

More than half of adults with incomes under \$40,000 reported problems with their medical bills in 2007.

Rapidly rising health insurance premiums are the main reason cited by all small firms for not offering coverage. Health insurance premiums are rising at extraordinary rates. The average annual increase in inflation has been 2.5 percent while health insurance premiums for small firms have escalated an average of 12 percent annually.

Health insurance premiums on the average have increased 78% in this country over the last 6 years.

Health insurance premiums increased 73% in Georgia from 2000-2007. During that same time, individual income of Georgians went up just 10%.

A single insurance company controls 61% of the health insurance market in Georgia. The top two insurance companies control nearly 70% of the market. There is very little competition.

Private Medicare Advantage plans were paid 12.4% more per enrollee in 2008 compared to what the same enrollee would have cost in the traditional Medicare fee-for-service program. The bulk of these extra payments were mandated by the Medicare Modernization Act of 2003, which expanded the role of private plans in Medicare. The extra payments totaled \$33 billion between 2004 and 2008.

Private insurance companies spend 15% of revenue on administrative costs vs. 3% for Medicare.

Unless we change how we provide health care coverage in this country, the national cost of health care will rise from 18% of Gross Domestic Product (GDP) to over 30% in 2030 and nearly 50% in 2080 according to the Congressional Budget Office.

Health care spending is higher in the U.S. than anywhere else in the world.

We spend 18% of GDP on health care. The average OECD nation spends 8.5% of GDP.

Health care costs in the U.S. have been growing 2.5% faster than the economy.

It is estimated that the U.S. could save \$72 billion per year by just allowing people to purchase health insurance across state lines, something they cannot do now.

Our health care system lacks safety controls that endanger front-line workers and patients. Staffing levels are dangerously low in hospitals, nursing homes and other health care facilities. As a result, medical errors are rising—and account for an estimated 44,000 to 98,000 needless death each year.

Health insurance company profits have increased 1,084% in the last five years.

In 2006, the six largest insurance companies made \$11 billion in profits even after paying for direct health care costs, administrative costs and marketing costs.

The average health insurance company CEO makes \$8.76 million a year. Ronald Williams, CEO of Aetna makes over \$32 million a year.

TOO MANY PEOPLE ARE UNINSURED OR UNDERINSURED

The percentage of people (workers and dependents) with employment-based health insurance has dropped from 70 percent in 1987 to 62 percent in 2007. This is the lowest level of employment-based insurance coverage in more than a decade.

Millions of workers don't have the opportunity to get health coverage. A third of firms in the U.S. did not offer coverage in 2007.

Nearly two-fifths (38 percent) of all workers are employed in smaller businesses, where less than two-thirds of firms now offer health benefits to their employees.

It is estimated that 266,000 companies dropped their health coverage between 2000-2005 and 90 percent of those firms have less than 25 employees.

Even if employees are offered coverage on the job, they can't always afford their portion of the premium. Employee spending for health insurance coverage (employee's share of family coverage) increased 120 percent between 2000 and 2006.

Losing a job, or quitting voluntarily, can mean losing affordable coverage – not only for the worker but also for their entire family. Only seven (7) percent of the unemployed can afford to pay for COBRA health insurance – the continuation of group coverage offered by their former employers. Premiums for

this coverage average almost \$700 a month for family coverage and \$250 for individual coverage, a very high price given the average \$1,100 monthly unemployment check.

Only half of the employers who provided health insurance coverage for retirees in 2000 still do so today.

47 million Americans are uninsured and 50 to 60 million have inadequate or limited coverage.

Nearly 90 million people – about one-third of the population below the age of 65 spent a portion of either 2006 or 2007 without health coverage.

The number of uninsured rose 2.2 million between 2005 and 2006. Nearly 9 million Americans have lost their health insurance since 2000

The large majority of the uninsured (80 percent) are native or naturalized citizens.

Nearly 40 percent of the uninsured population resides in households that earn \$50,000 or more. A growing number of middle-income families cannot afford health insurance payments even when coverage is offered by their employers.

The uninsured are increasingly be required to pay “up front” -- before services will be rendered. When they are unable to pay the full medical bill in cash at the time of service, they are turned away except in life-threatening circumstances.

About 20 percent of the uninsured (vs. three percent of those with coverage) say their usual source of care is the emergency room.

The United States spends nearly \$100 billion per year to provide uninsured residents with health services, often for preventable diseases or diseases that physicians could treat more efficiently with earlier diagnosis.

Hospitals provide about \$34 billion worth of uncompensated care a year.

Another \$37 billion is paid by private and public payers for health services for the uninsured and \$26 billion is paid out-of-pocket by those who lack coverage.

The uninsured are 30 to 50 percent more likely to be hospitalized for an avoidable condition, with the average cost of an avoidable hospital stayed estimated to be about \$3,300.

22,000 Americans died in 2006 because they were uninsured.

60% of people who are uninsured go without need medical care.
Eight out of 10 people who are uninsured are in working families.

The number of uninsured children in 2007 was 8.1 million – or 10.7 percent of all children in the U.S.

29% of people who have health insurance were “underinsured” with coverage so meager they often postponed medical care because of costs. Nearly 50 percent overall, and 43 percent of people with

health coverage, said they are “somewhat” to “completely” unprepared to cope with a costly medical emergency over the coming year.

The U.S. has fewer physicians per capita than most other OECD countries: 2.43 per 1,000 population versus an OECD average of 3.1. Austria, Belgium, Iceland, Ireland, the Netherlands and Norway all spend at least a third less of GDP on health than the U.S. yet have almost four doctors per 1,000 population.

Only four OECD countries have fewer acute care hospital beds per capita than the U.S. We have 2.7 per 1,000 population versus an OECD average of 3.8. Japan has 8.2 acute care beds per 1,000 population despite spending half as much of its GDP on health as the U.S. does.

Our higher spending on health care hasn't made us healthier. Life expectancy at birth has increased by 8.2 years in the U.S. since 1960, but has risen more in most other OECD countries. In Canada, life expectancy has risen 9.4 years and more than 10 years in both Germany and France. Life expectancy rose by almost 15 years in Japan over the same time.

In 2006, 6.7 infants died per 1,000 live births in the U.S.--a sharp decline from 26 deaths in 1960. The infant mortality rate is lower in every other OECD country except Turkey and Mexico. The average rate for all OECD countries is 4.9 deaths per 1,000 live births.

A UNICEF study of child well-being, revealed the United States ranked second to last when compared to 21 other developed countries due to a high infant mortality rate, a high percentage of low-birth-weight infants, and only an average rate of immunization. One of the underlying causes for this difference is the gap in infant mortality rates between the United States and many other countries.

The U.S. has more highly expensive medical equipment per capita than any other nation. In 2007, there were 26 MRI machines per 1 million population here versus an OECD average of less than 10.

The United States currently falls behind 27 other developed countries in terms of healthy life expectancy (HALE) with an average of 69 years, while Japan leads all countries with an average of 75 years. Some differences in healthy life expectancy can be attributed to the nation's inability to effectively treat disease, especially those that are amenable to care or curable.

Among 18 other industrialized nations studied by the Organization for Economic Cooperation and Development (OECD), the United States ranked last in death from treatable conditions before age 75.

A recent study found that the United States places last among 19 countries when it comes to deaths that could have been prevented by access to timely and effective health care. If the U.S. had performed as well as the top three countries out of the 19 industrialized countries in the study there would have been 101,000 fewer deaths in the U.S. per year by the end of the study period. The top performers were France, Japan, and Australia.

According to the Commonwealth Fund, the United States is last in health care system performance when compared to six other countries: Australia, Canada, Germany, New Zealand, and the United Kingdom.

In comparison to other industrialized nations, the U.S. has the fewest patients seeing a regular doctor (16%)

In comparison to other industrialized nations, the U.S. is the least wired (i.e., Has the smallest percentage of health care providers working with electronic records, and smallest percentage receiving electronic updates on disease treatment options),

The United States spends twice as much as these countries on a per-capita basis, yet it is last on dimensions of access, patient safety, efficiency, and equity