

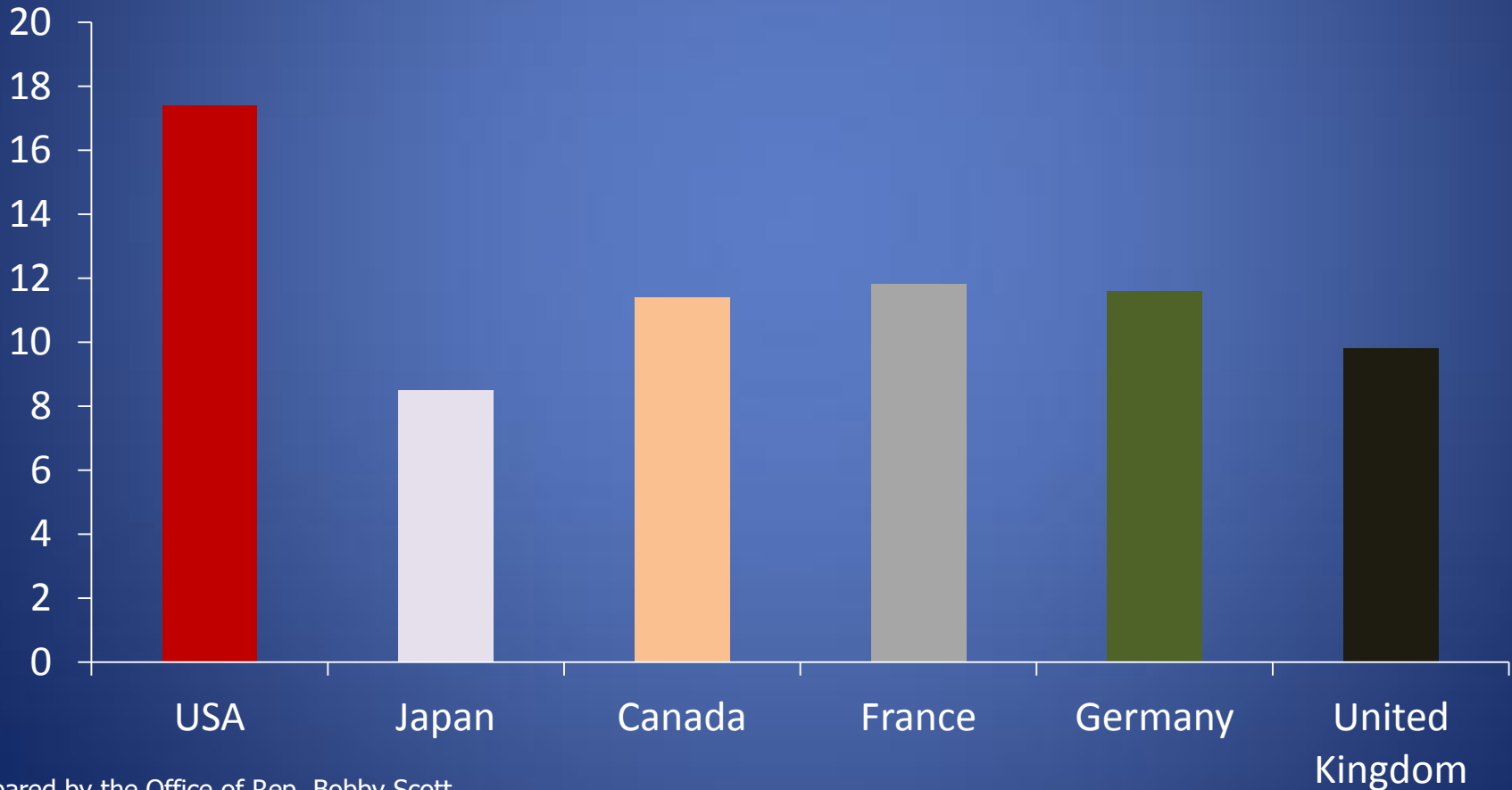
The Affordable Care Act: The Need for Reform



Rep. Robert C. “Bobby” Scott

Health Expenditure as Percentage of GDP

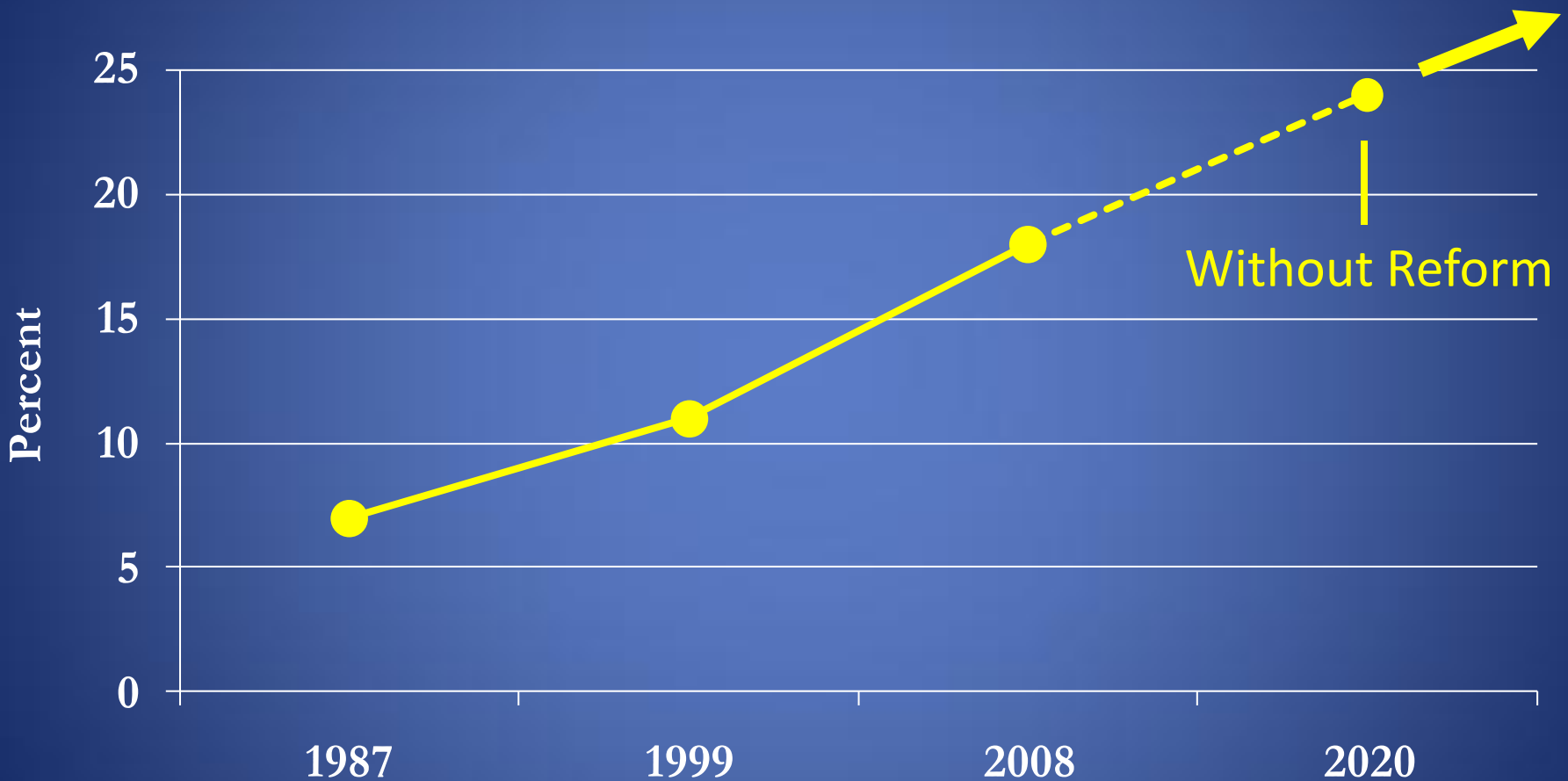
The U.S. spends more on health care than any other nation, both in terms of GDP and per capita. The U.S. also has higher numbers of people who are uninsured and underinsured than other countries. And when compared to other countries, the U.S. has poorer outcomes in terms of infant mortality, life expectancy and death due to preventable disease.



Lack of Security

- Denial based on pre-existing conditions
- If you lose your job and current health insurance coverage and you have a pre-existing condition you may have trouble getting re-insured
- Employer based coverage is declining
- **Small businesses struggle to afford coverage for employees:** For firms employing less than 10 workers, coverage has declined from 57% in 2000 to 46% in 2009
- Since 1987, the cost of the average family health insurance policy has risen from 7% of median family income to 17% and without reform, was expected to reach 24% by 2020

Average Family Premiums as Percentage of Income



Prepared by the Office of Congressman Robert C. "Bobby" Scott

Sources: The Commonwealth Fund, *Paying the Price: How Health Insurance Premiums Are Eating Up Middle-Class Incomes--State Health Insurance Premium Trends and the Potential of National Reform* and Committee on Ways and Means.

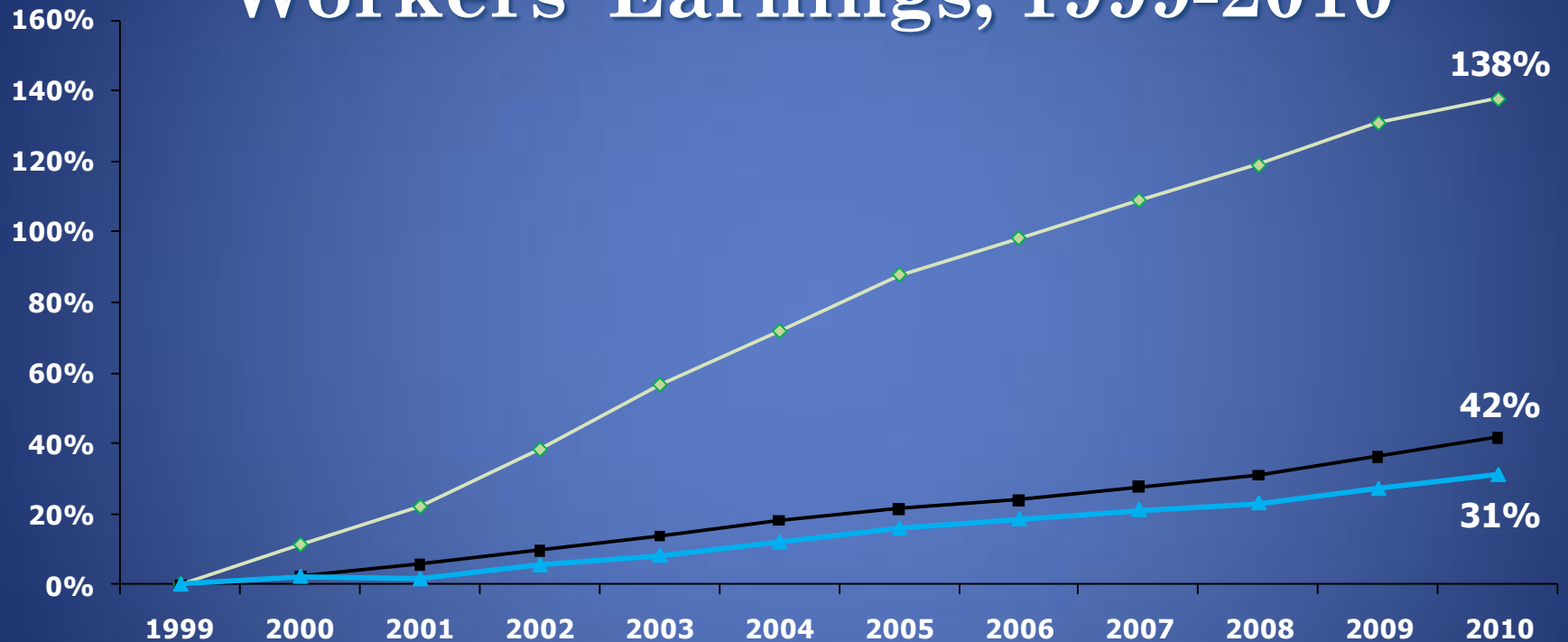
We are Already Paying for the Uninsured

The costs of caring for the uninsured are shifted onto Americans families in terms of higher premiums – an additional \$1,017 annually

The Trend

Although wages have increased at about the same rate as inflation, insurance premiums have more than doubled

Cumulative Changes in Health Insurance Premiums, Inflation, and Workers' Earnings, 1999-2010



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2010. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2010; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2010 (April to April).

- ◆ Health Insurance Premiums
- Workers' Earnings
- ▲ Overall Inflation

Need for a Comprehensive Approach

Health insurance reform needed comprehensive and universal approach – otherwise people will wait until they get sick to buy insurance

The New Law Contains Ideas from Other Proposals

	New Law	Nixon Plan (1974)	Sen. Chafee Plan (1993)	Mass. Plan Supported by Gov. Romney	Sens. Dole/ Daschle/ Baker Plan	Sens. Wyden/ Bennett (Utah) Plan
Guaranteed Issue of Insurance	✓	✓	✓	✓*	✓	✓
Responsibility for Employers	✓	✓	✓	✓	✓	✓
Individual Mandate	✓		✓	✓	✓	✓
Subsidies	✓	✓	✓	✓	✓	✓
Increased Market Regulation	✓	✓	✓	✓	✓	✓