

# Healthcare Facts



## The Cost of Healthcare — More Americans Priced Out of Care

- National healthcare expenditures — \$2 trillion (2005). Healthcare is 16% of the GDP (2005), expected to rise to 20% by 2015 (*Modern Healthcare*, Dec. 18, 2006). Healthcare costs doubled from 1993 to 2004, according to the Centers for Medicare and Medicaid Services (*Washington Post*, Jan. 10, 2006)
- One-fifth of all Americans, 48.8 million individuals, were in families spending more than 10% of their family income on healthcare in 2003, an increase of 11.7 million persons since 1996. Of these, 18.7 million (7.3%) were spending more than 20% of family income, a figure normally associated with home ownership. The percent of middle-income Americans (22.7%) spending over 10% of their income on healthcare was almost identical to the percent of low-income Americans (23.7%) on healthcare (*JAMA*, Dec. 13, 2006).
- Half of all personal bankruptcies are caused by illness or medical bills. The number of medical bankruptcies has increased by 2200% since 1981 (*Health Affairs*, February, 2005). Two-thirds of people with a medical bill or debt problem went without needed care due to cost (*Commonwealth Fund*, Aug. 2005).
- Nearly 30% of low and middle-income households with credit card debt cite medical debt as a contributing factor; 69% of those had a major medical expense in the previous three years (*Borrowing to Stay Healthy: How Credit Card Debt Is Related to Medical Expenses*, Demos, The Access Project, January, 2007)
- The potential economic value to be gained in better health outcomes from uninterrupted coverage for all Americans is estimated to be between \$65 and \$130 billion each year. (*Institute of Medicine*, June 17, 2003)
- Over 30% of every healthcare dollar is spent on administrative overhead in private insurance compared to just 3.2% in Medicare administrative costs (*Institute for Health and Socio-Economic Policy*)
- About one-third of medical spending is now devoted to services that don't appear to improve health or the quality of care, meaning the U.S. wastes more than \$650 billion per year (IHSP), more than is being spent on the war in Iraq (*John Abramson, Harvard Medical School, column, Los Angeles Times*, Nov. 3, 2006).
- From 2000 to 2005, health insurance premiums rose by 73%, compared to an aggregate increase in workers' income of just 15%. (*Chicago Tribune*, Jan. 31, 2006) Premiums rose three times faster than wages and inflation in 2005 (*UC Berkeley Center for Labor research and Education*, Dec. 2006).