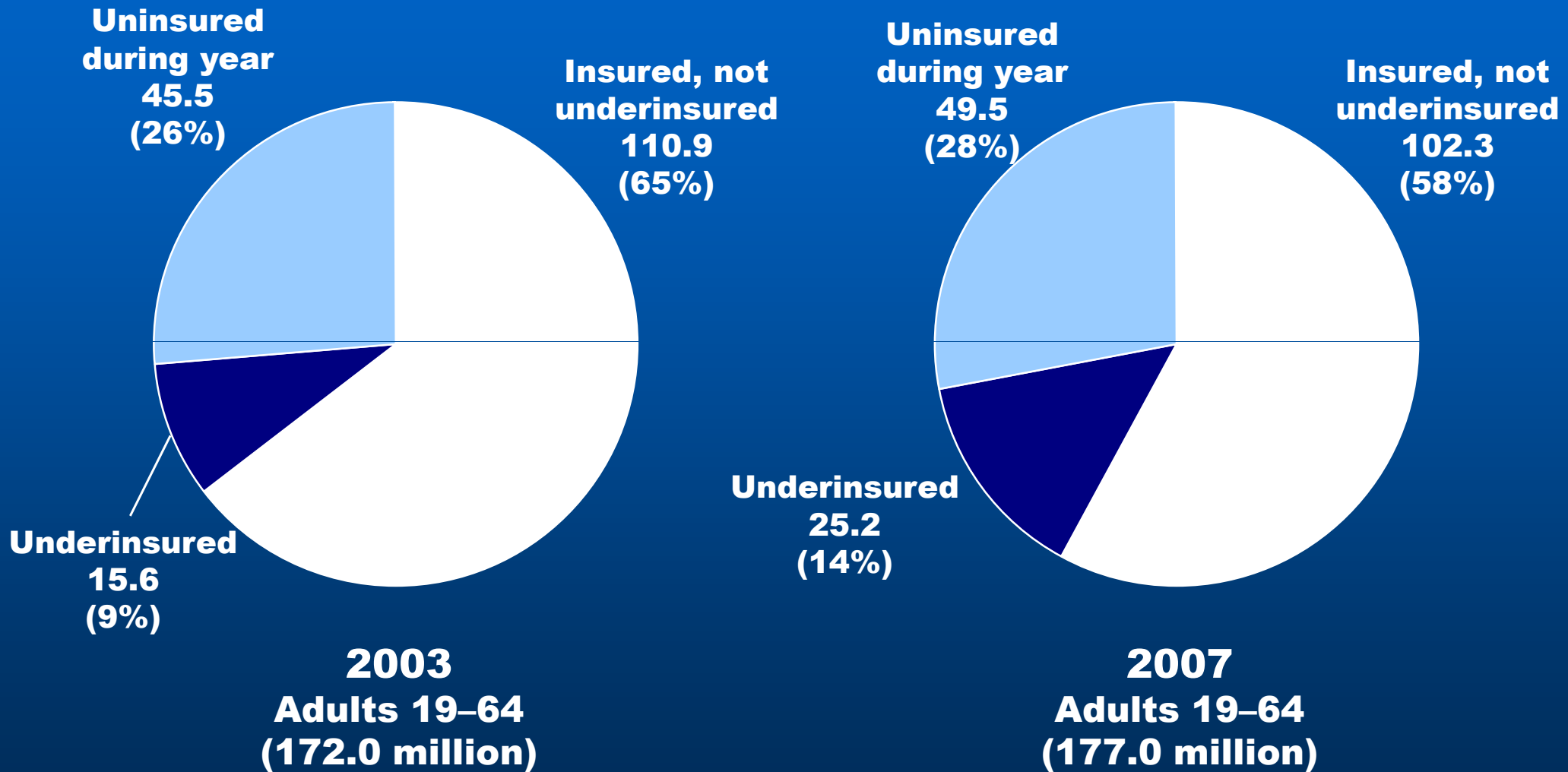




Nicole Bengiveno/The New York Times

Arnold and Sharon Dorsett with their children, Dakota, Zachery and Jessica, back. Though they had insurance, the Dorsetts had to file for bankruptcy because of Zachery's health care costs.

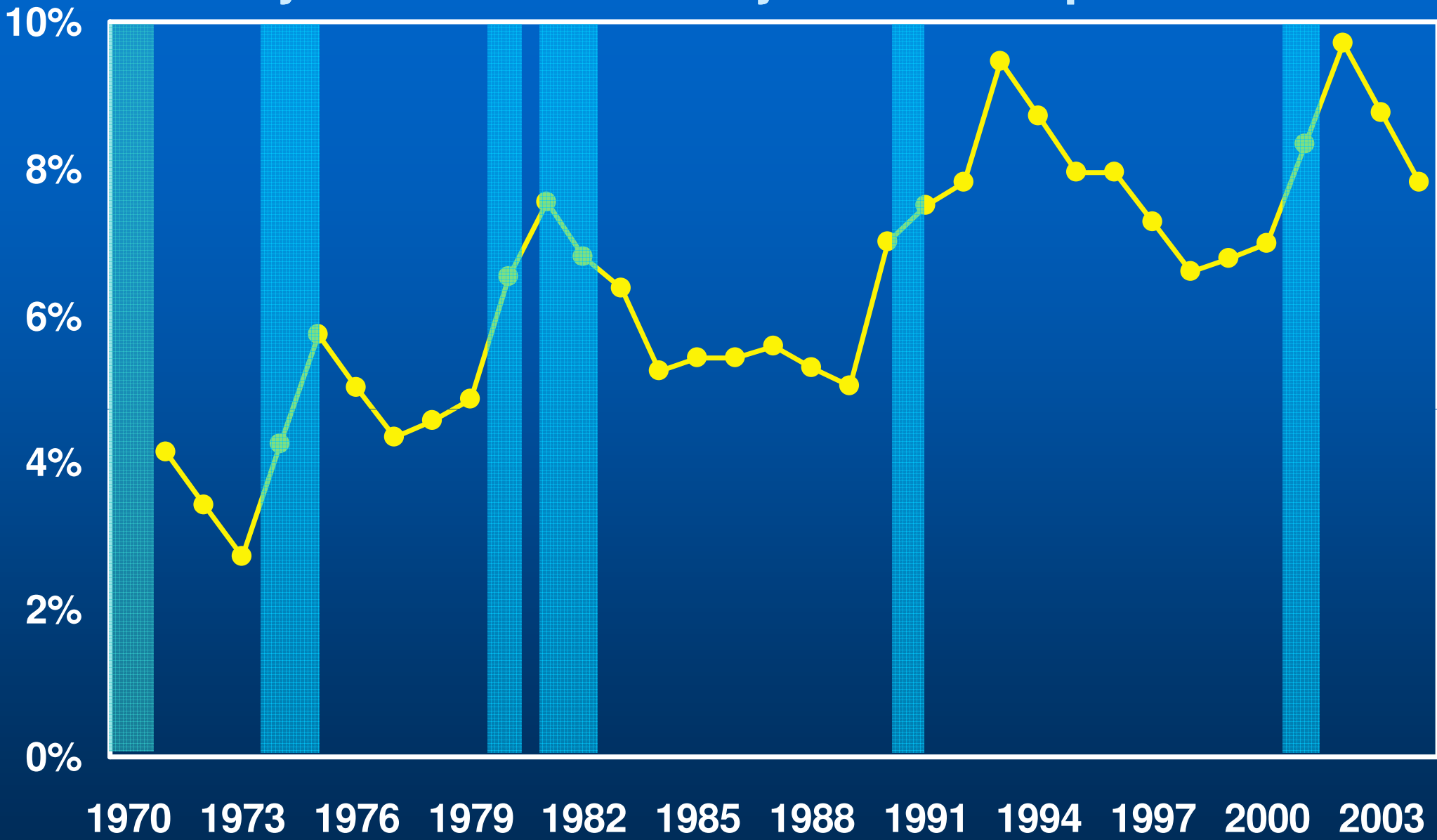
Adults Under Age 65 Who Were Uninsured or Underinsured, 2003 vs. 2007



* Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income.

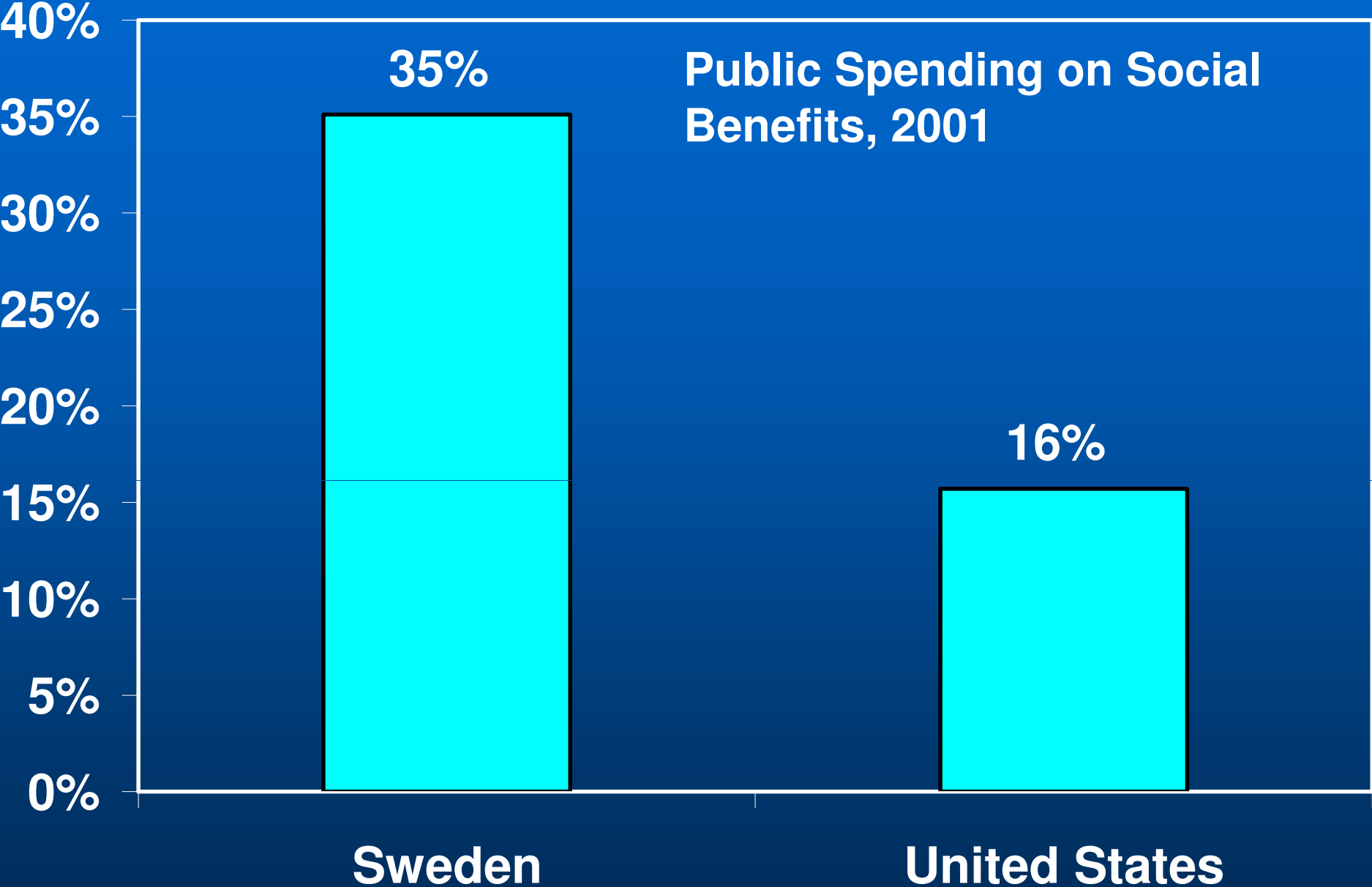
Source: C. Schoen, S. Collins, J. Kriss, M. Doty, How Many are Underinsured? Trends Among U.S. Adults, 2003 and 2007, *Health Affairs* Web Exclusive, June 10, 2008. Data: 2003 and 2007 Commonwealth Fund Biennial Health Insurance Surveys

Percentage of Working-Age Americans for Whom Family Income Declined by at Least 50 percent



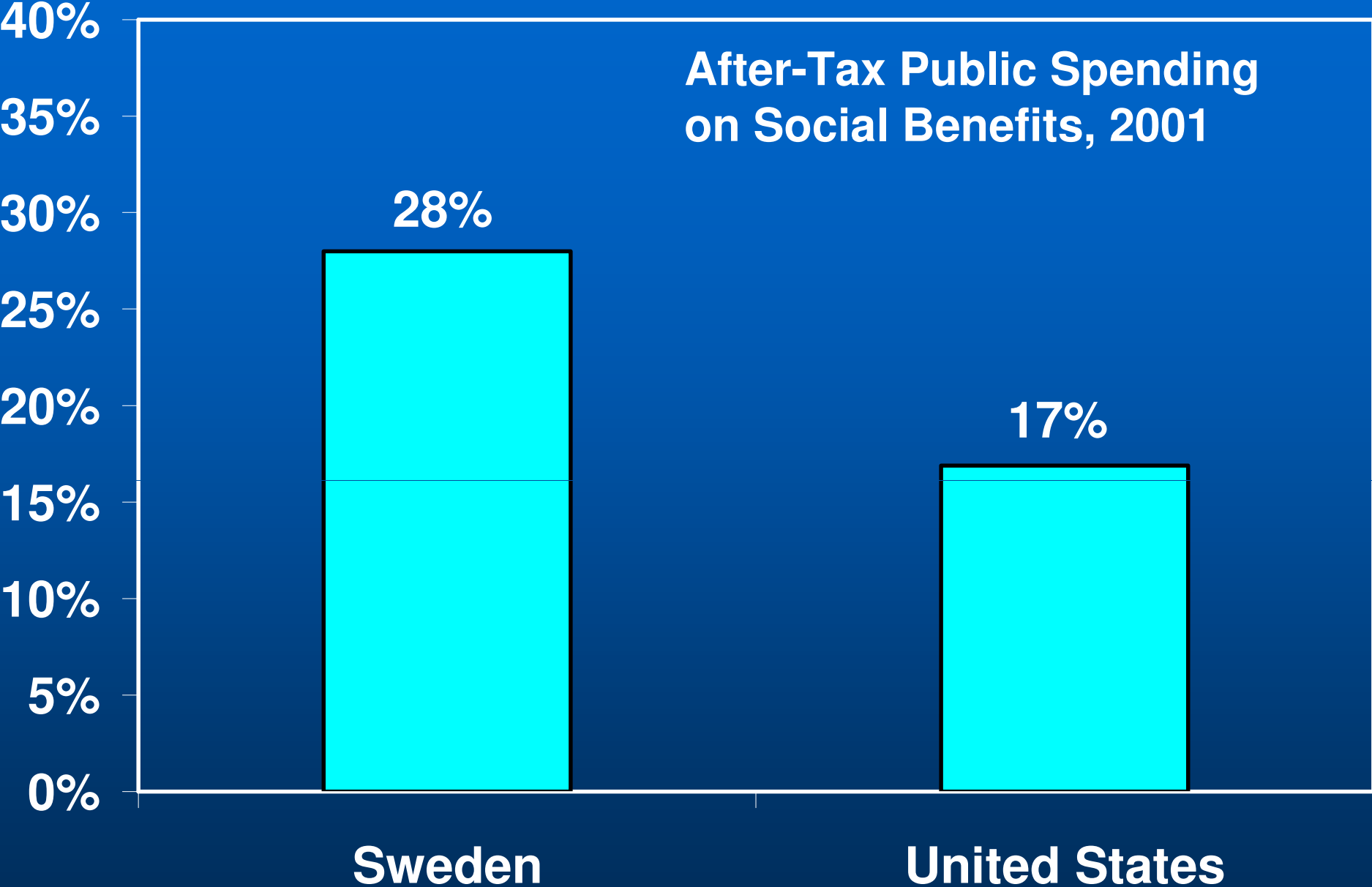
Source: Jacob S. Hacker, *The Great Risk Shift*, rev. and exp. ed. (2008).

Percentage of the Economy



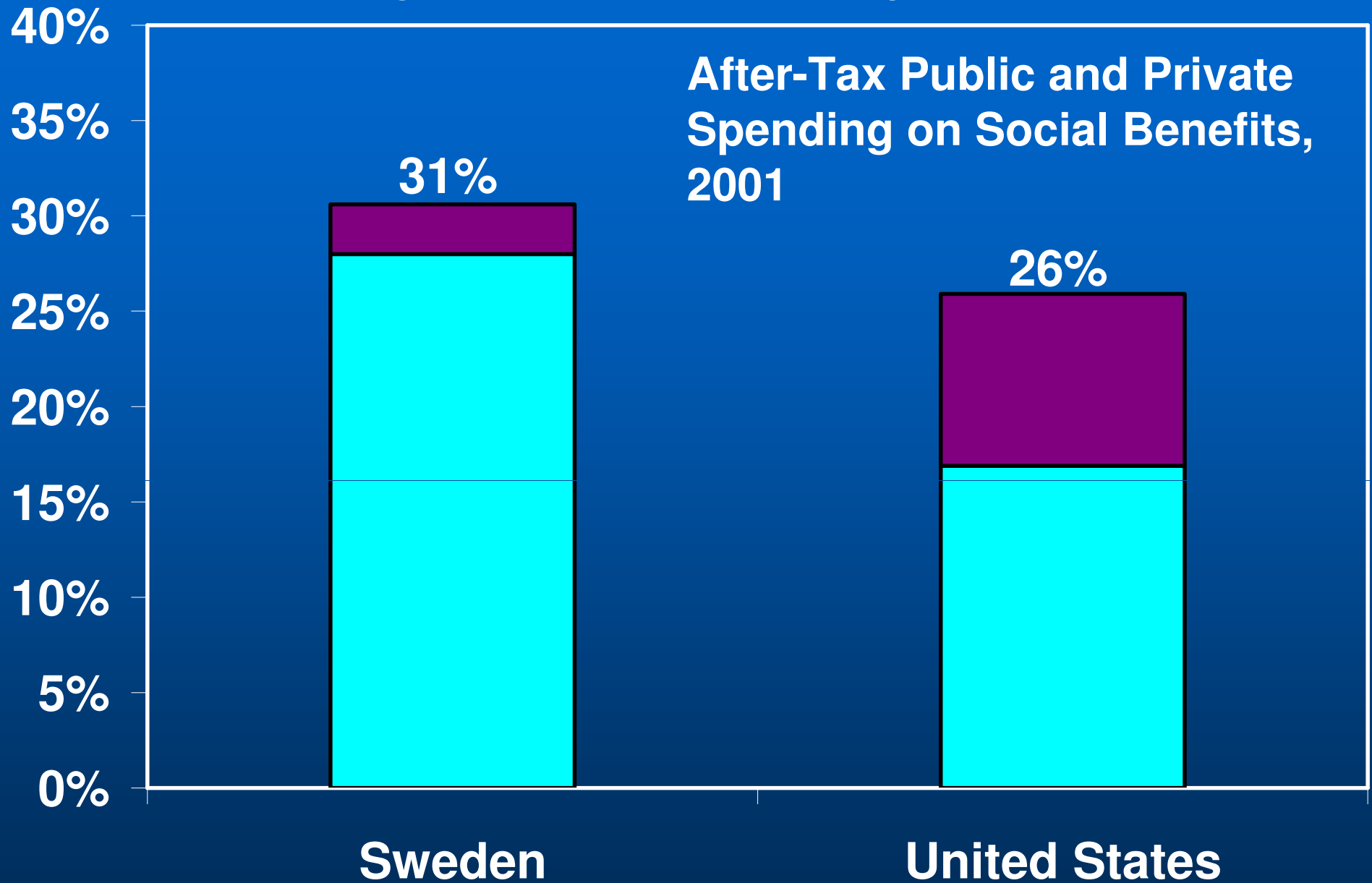
Source: OECD, Social Expenditure Series, 2005.

Percentage of the Economy



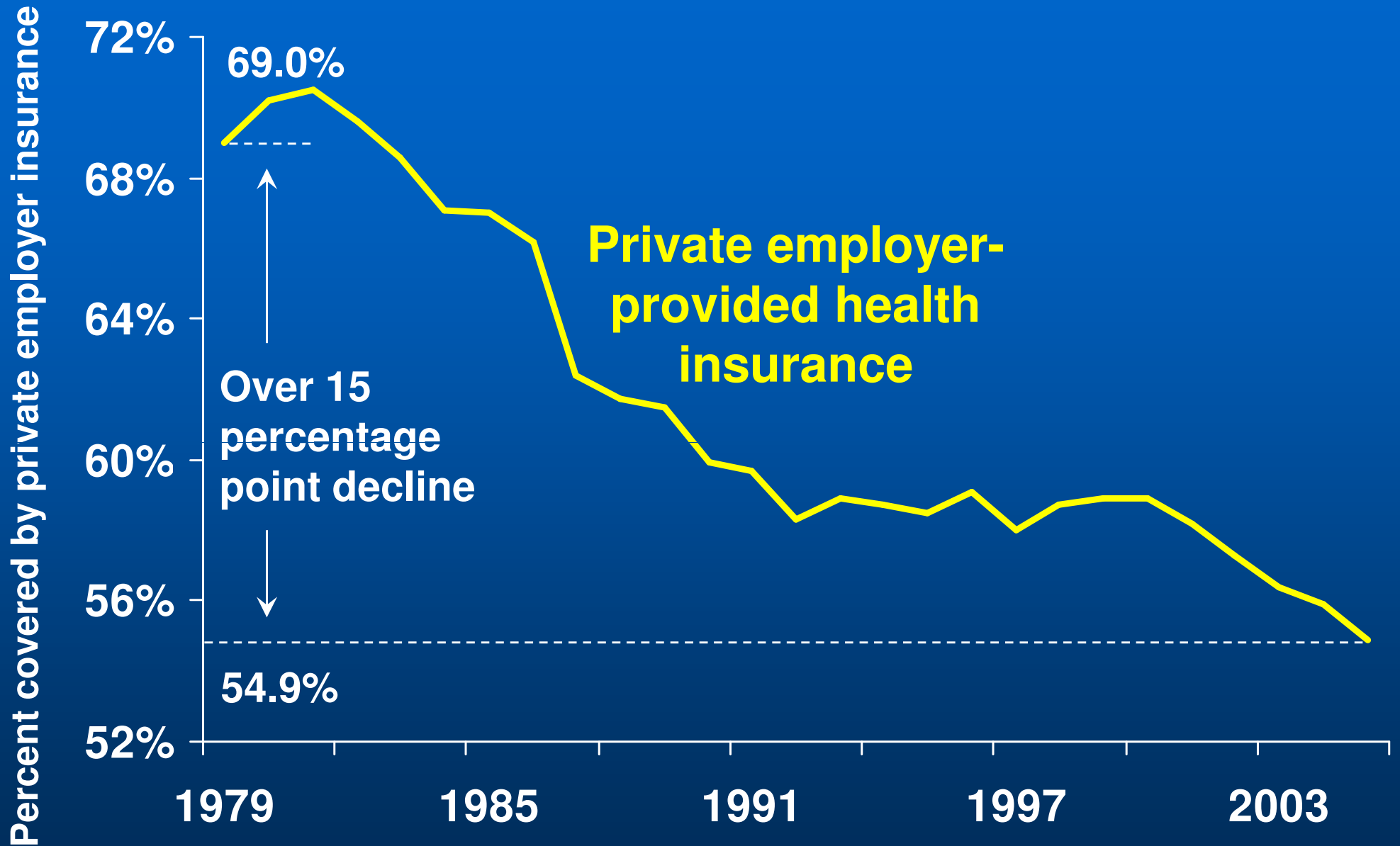
Source: OECD, Social Expenditure Series, 2005.

Percentage of the Economy



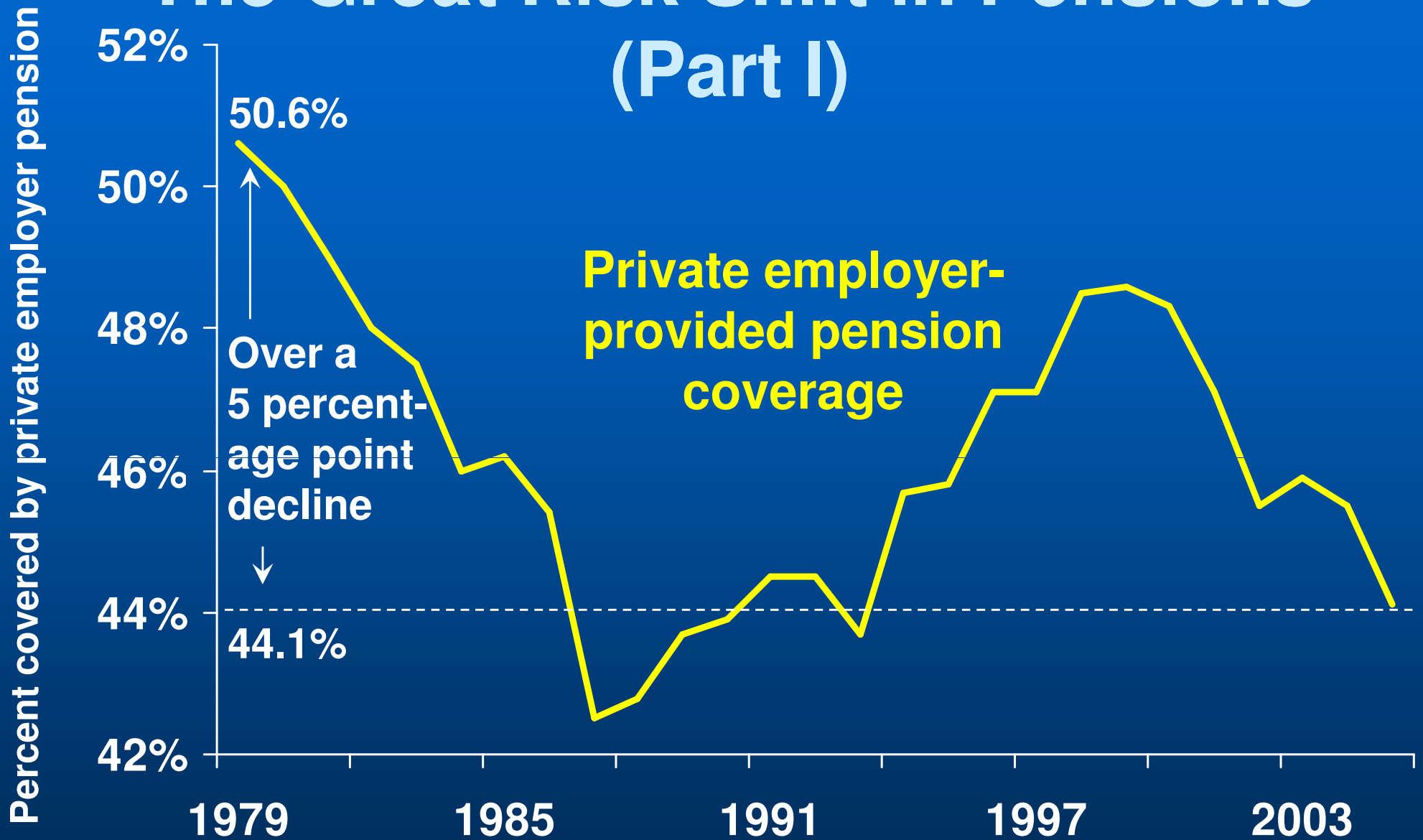
Source: OECD, Social Expenditure Series, 2005.

The Great Risk Shift in Health Care



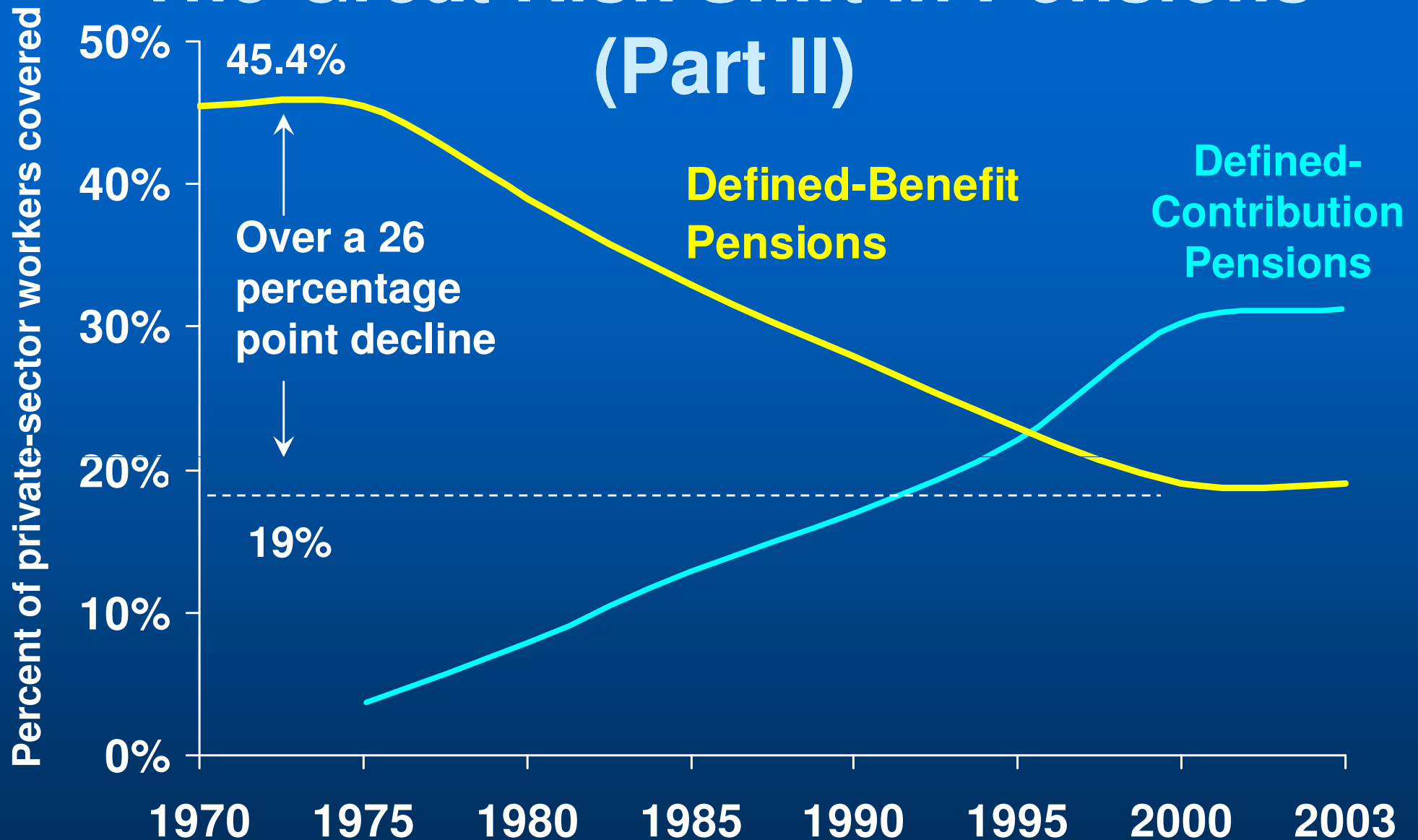
Source: Economic Policy Institute, *State of Working America*, 2006/2007

The Great Risk Shift in Pensions (Part I)



Source: Economic Policy Institute, *State of Working America*, 2006/2007

The Great Risk Shift in Pensions (Part II)

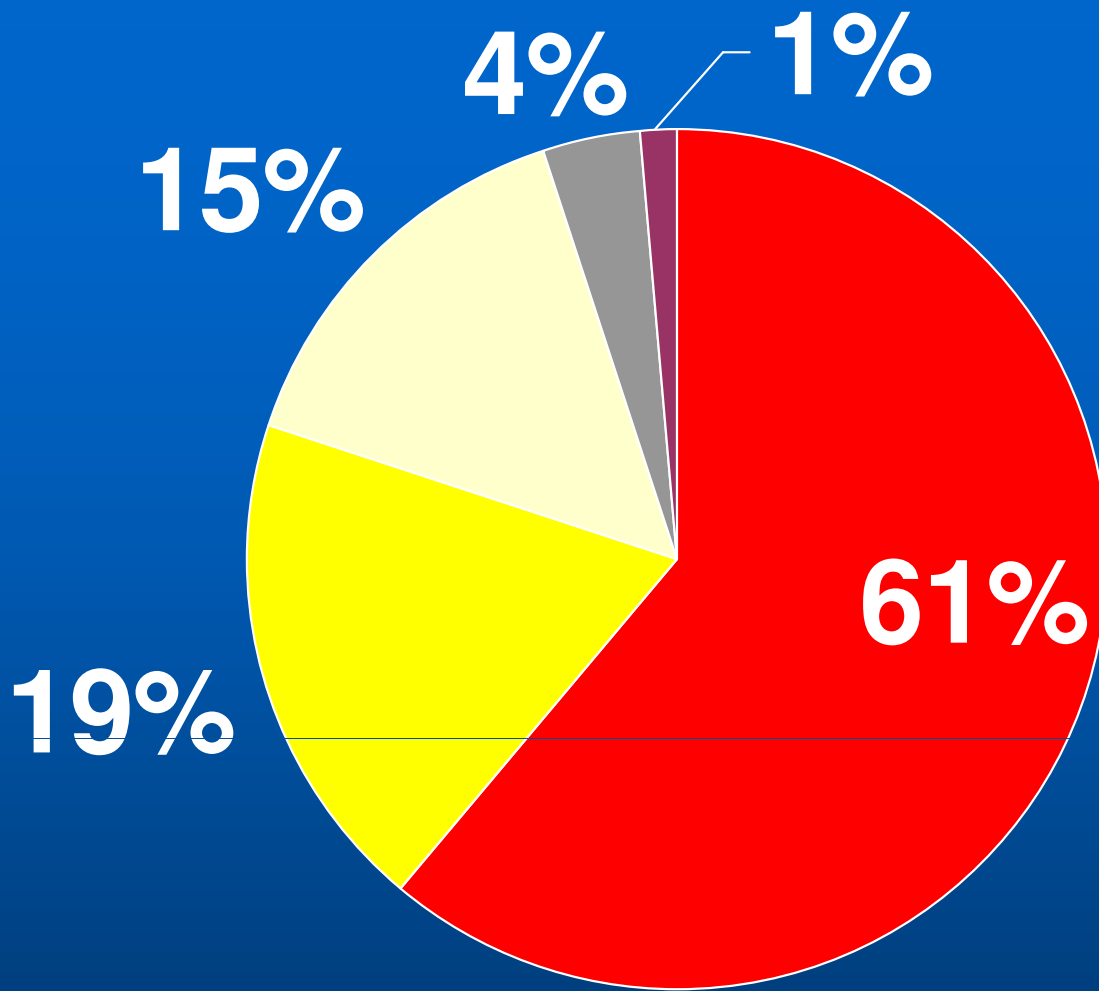


Source: Employee Benefits Research Institute, Center for Retirement Research.

Health Care for America (www.epi.org)

- *Shared Risk*, through a New National Insurance Pool, the Health Care for America Plan, through which any U.S. resident without good workplace or individual coverage can choose between private plans and a public plan modeled after Medicare;
- *Shared Responsibility*, through a requirement that employers (and the self-employed) either purchase comparable coverage for all their workers or make a relatively modest contribution (6% of payroll)
- *Meaningful Choice*, through competition on a level playing field between public insurance and private plans within the new pool

Coverage of U.S. Nonelderly, Current Law, 2007



Employer

Medicaid/SCHIP

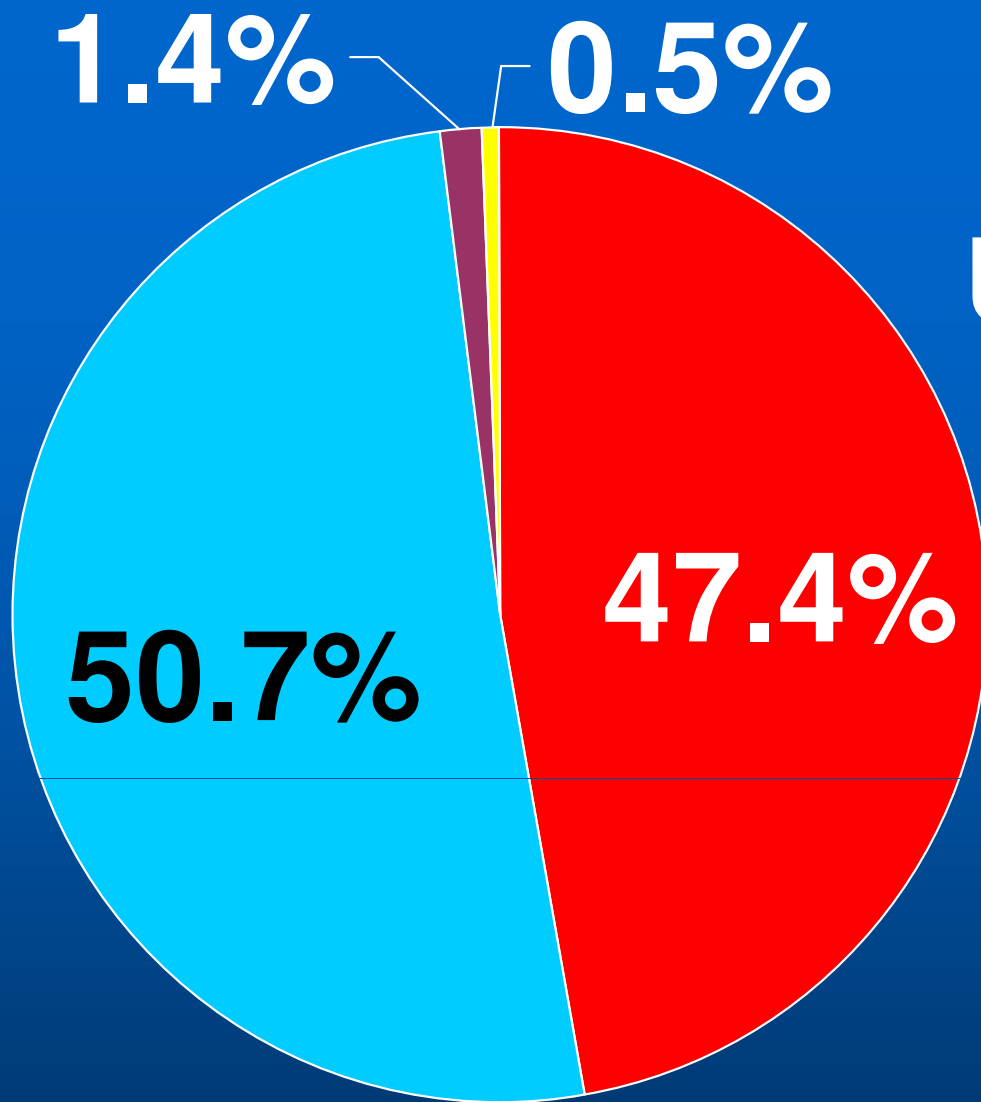
Other

Uninsured

Non-Group

Source: The Lewin Group using the Health Benefits Simulation Model.

Coverage of U.S. Nonelderly, Health Care for America, 2007



Employer

Other

Health Care for America

Uninsured

Source: The Lewin Group using the Health Benefits Simulation Model.

Lake Research Partners, January 2009, 800 likely voters (+/- 3.5%)

- Nearly three out of four voters prefer having a choice of public or private health insurance over either an all-private or all-public system
- Support holds up in face of common attacks
- Voters strongly value: choice of plan, guaranteed coverage through public plan, and cost control they believe competition between public and private will provide

Changes in Health Spending, 2007 (billions)

Change in Health Services Expenditures		\$53.2
Change in Utilization for Newly Insured	\$49.8	
Change in Utilization for Currently Insured	\$3.4	
Reimbursement Effects		(\$7.4)
Payments for Uncompensated Care	\$16.7	
Change in Provider Payment Levels	(\$29.0)	
Increased Cost Shifting	\$4.9	
Negotiated Drug Discounts & Medical Home		(\$20.5)
Reduced Spending due to Discounts	(\$8.8)	
Medical Home Requirement	(\$11.7)	
Change in Administrative Cost		(\$25.4)
Change in Insurer Administration	(\$29.9)	
Eligibility Determination for Subsidies	\$4.5	
Total Change in National Health Spending		(\$0.1)

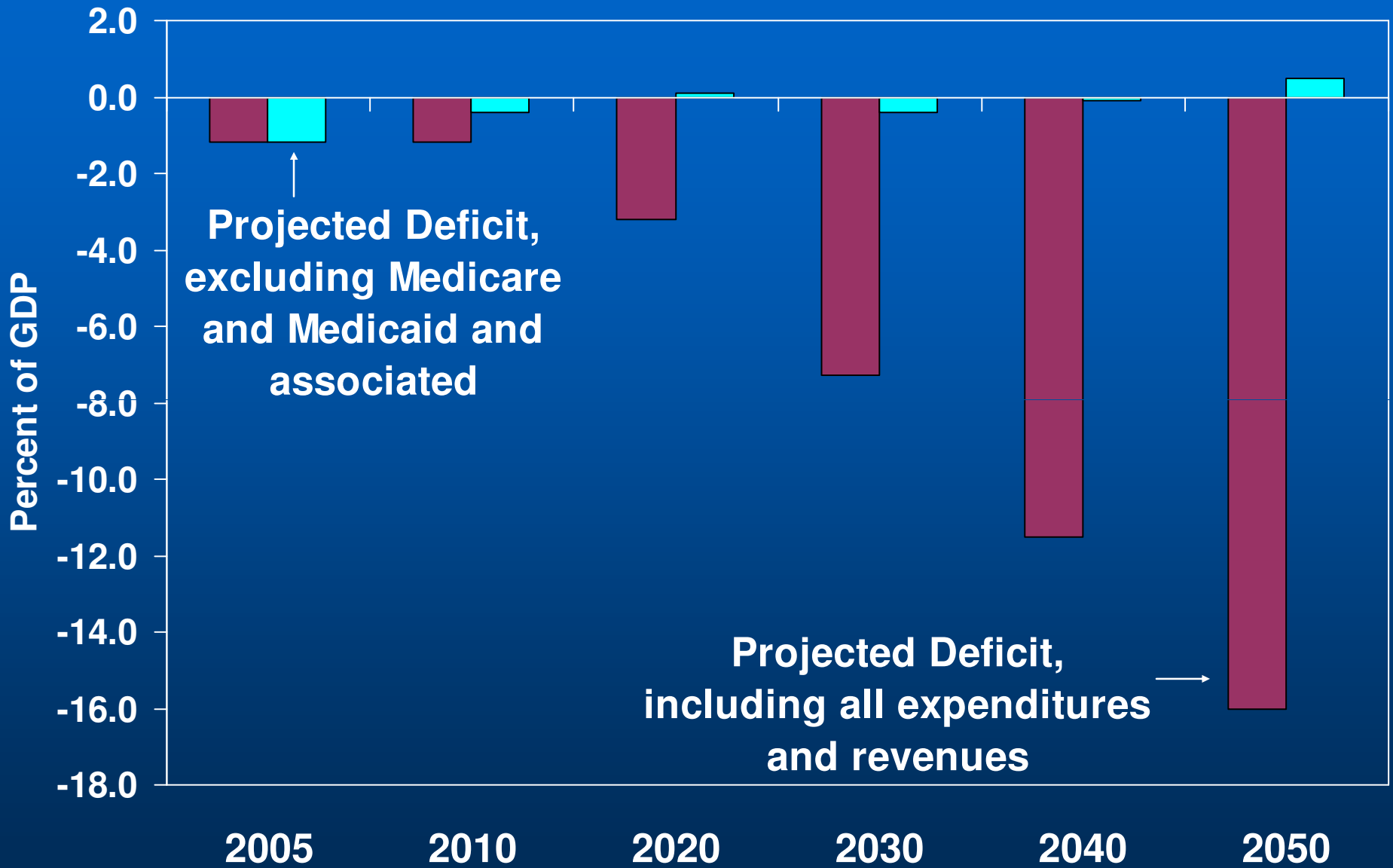
Source: The Lewin Group using the Health Benefits Simulation Model.

Change in Federal Spending, 2007 (billions)

Federal Costs of Health Care for America	\$417.7
Benefits	\$390.6
Administration	\$27.1
Health Care for America Revenues	(\$187.1)
Employer Premiums (6% payroll)	\$91.9
Employee Premiums	\$49.3
Individual Premiums	\$31.0
Employer Transfer Premiums	\$14.9
Federal Program Offsets	(\$181.3)
Federal Employees Health Benefits	(\$0.8)
Medicaid and S-CHIP Programs	(\$160.1)
Tax Revenue Gain Due to Tax Effects	(\$13.4)
Employer Transfers for Medicare/CHAMPUS Workers	(\$7.0)
Total Change in Federal Spending	\$49.3

Source: The Lewin Group using the Health Benefits Simulation Model.

Projected Budget Deficit (-) or Surplus (+): Including and Excluding Health Programs



Source: Henry Aaron, The Brookings Institution

“I’m sick of working for the economy. I want an economy that works for me.”

Family premium contribution requirements for Health Care for America Plan:

- Individuals and Families enrolled through workplace and self-employed
 - No premium if < 200% FPL
 - Premium phased in for families between 200-300% FPL
 - Individual - \$70/month Single Parent - \$130/month
 - Couple - \$140/month 2 Parent Family - \$200/month
 - Assumes premiums collect by employer through withholding
- Enrolled as individuals
 - No premium if < 100% FPL
 - Premiums phased in for families between 100-400% FPL to full actuarial cost for Health Care for America Plan
 - Premiums based on community rates varied by family composition only..

- Benefits: Current Medicare benefits with prescription drugs, mental health, prenatal and well child care.
- Cost sharing:
 - \$350 deductible for individual (\$500, family);
 - 20% coinsurance for outpatient services;
 - No coinsurance for hospital stays;
 - No cost-sharing for preventive services.
 - Maximum out-of-pocket limits of \$3,500/individual and \$5,000/family. In addition,
 - Modest copayments (\$1/visit) for those below poverty;
 - Maximum of 2.5% of income, 100% - 150% FPL;
 - Maximum of 5.0% of income, 150% - 300% FPL;
 - Maximum of 7.5% of income, over 300%.