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TO: Democratic AAs, LDs, Press Secretaries and Schedulers
FR: Debra Silimeo, Outreach Director
DT: 8/26/93
RE: September Health Care Calendar

Please mark your calendars and plan for your Senator to participate in the health care events we are helping to organize for September.

Sunday, September 12 and Monday, September 13th: National Health Care Awareness Days

The goal is to have events going on in all states on these two days, focusing on the problems in the current system, the human faces behind the national health care crisis, and the need for reform. Senators, House Members, Governors, and other elected officials are encouraged to participate.

What you can do:

- o Set up a press conference, site visit, constituent meeting, or other events in your state. Attract local coverage.
- o Contact the grassroots groups in your state that your Senator has been working with to help set up or participate in the event.
- o Try to schedule print or broadcast interviews on health care for stories on these days.
- o If your Senator cannot be in the state, think about a Washington-based event or satellite-driven event. Set up a local radio conference call.

If you need assistance or want more information on the National Health Care Awareness Days, please call me or Trish Moreis at 224-3232. DPC will be following up with you to coordinate all of our efforts.

Sunday, September 19 and Monday, September 20th: Health Care Workshops for Members

The White House will brief Members on the details of the President's health care reform proposal in a series of workshops beginning on Sunday afternoon, September 19th.

At this writing, plans call for series to begin Sunday afternoon and run throughout the day on Monday. The workshops will be held on the Hill. The workshops will include House as well as Senate Members, and the same opportunity will be offered to Republican Members. We are also working on briefings for spouses and for staff. We will be in touch with your office with more details when they are available.

Please make sure your scheduler marks these dates. Thank you!

dpc special report

Believe It or Not: Incredible Facts About America's Health Care Crisis

Incredible Facts About America's Health Care Crisis	1
Many Americans Are Afraid	2
A Few Americans Are Profiting	6
The Health Care Crisis Threatens America's Businesses	8
The Incredible Health Care Bureaucracy	10
Spending More But Getting Less	11
America Without Health Care Reform	13
End Notes	15

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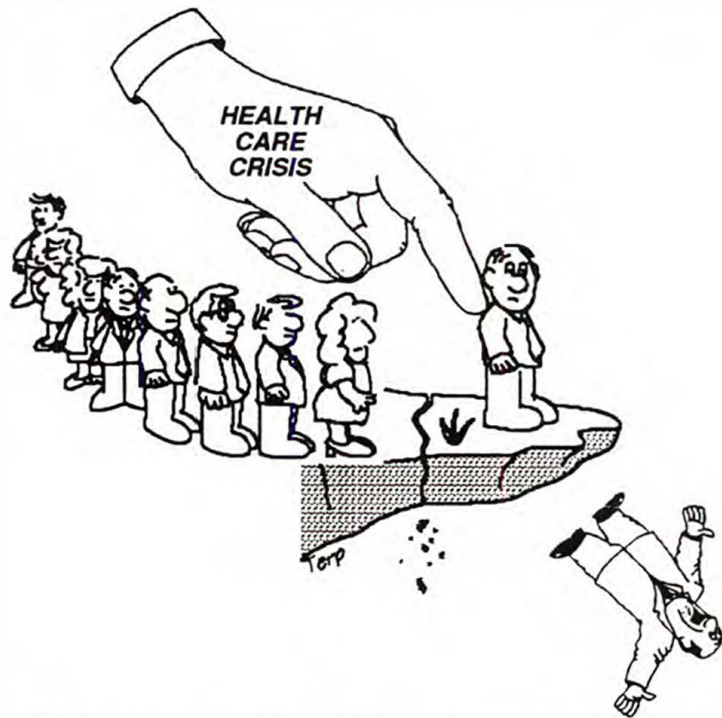


Democratic Policy Committee
United States Senate
Washington, D.C. 20510

George J. Mitchell, Chairman
Thomas A. Daschle, Co-Chairman
Monica Healy, Staff Director

democratic policy committee

Believe It or Not: Incredible Facts About America's Health Care Crisis



- ✓ *Every 30 seconds another American loses health care insurance.*
- ✓ *General Motors spends more on health care than for steel to build all its cars.*
- ✓ *American businesses spend \$26 million per hour on health care.*

These and other alarming facts about America's health care system are cited and documented in this report. These facts reveal that America's health care system has broken down. It is hard to believe that the same system that provides some of the world's best health care also is devastating American families, straining our national economy and threatening the future of the American dream.

The system is failing the American people. The facts are startling and true. Read the report and believe it.

Many Americans Are Afraid

Many Americans are afraid that they could be the next victims of the health care crisis.

Believe It or Not

- ✓ Every 30 seconds, another American loses health insurance.

More than 100,000 Americans lose their insurance every month. That's one American every 30 seconds.¹

- ✓ Most of those who do not have health insurance are working Americans.

Americans who work year round and their dependents make up almost 3 out of every 5 Americans without health insurance.² Government studies report that 70 percent of the uninsured are above the poverty level.³

- ✓ Almost half of all American families have at least one family member without adequate health insurance.

This year, 1993, 46 percent of American families have at least one family member without adequate health coverage.⁴

Believe It or Not

- ✓ The number of Americans without health insurance is more than the entire population of many States.

More than 35 million Americans have no health insurance.⁵ This is equal to the combined populations of the following 23 States and the District of Columbia:

1. Alaska	550,000
2. Arkansas	2,350,000
3. Delaware	666,000
4. D.C.	606,000
5. Hawaii	1,108,000
6. Idaho	1,007,000
7. Iowa	2,777,000
8. Kansas	2,477,000
9. Maine	1,277,000
10. Mississippi	2,573,000
11. Montana	799,000
12. Nebraska	1,578,385
13. Nevada	1,201,000
14. New Hampshire	1,109,000
15. New Mexico	1,515,000
16. North Dakota	638,900
17. Oklahoma	3,145,000
18. Oregon	2,842,000
19. Rhode Island	1,003,000
20. South Dakota	696,000
21. Utah	1,723,000
22. Vermont	563,000
23. West Virginia	1,793,000
24. Wyoming	454,000
Total	34,450,000

Believe It or Not

- ✓ Only two western industrial countries do not guarantee affordable health care for their citizens, and the United States is one of them.

The only other industrialized nation that does not guarantee affordable health care is South Africa.⁶

- ✓ American citizens are less satisfied than citizens of any other major nation with their national health care system.

A Louis Harris poll of citizens of 10 nations found Americans to be the least satisfied of all with their system of health care.⁷ We are spending more than others, and we're most dissatisfied with the system we have.

Believe It or Not

- ✓ Even Americans who have jobs that provide health insurance can be victims of the health care crisis.

The fear of losing health insurance coverage, or having family members or certain conditions excluded from coverage, keeps millions of Americans frozen in their jobs.

In some cases, workers are afraid to change jobs because they have a family member in poor health who would be excluded from a new policy.

A Consumers Union/Gallup Survey found that one-fifth of the American people are so afraid of losing their health insurance that it has blocked them from looking for or accepting another job.⁸

The *New York Times* found that one of every three Americans earning between \$30,000 and \$50,000 reports that they or someone in their household stayed in jobs they wanted to leave but can't leave because they are afraid of losing their health care coverage.⁹

Health care job lock brings with it a loss of economic liberty, opportunity, and choice.

A Few Americans Are Profiting

While the high cost of health care leaves millions of citizens without adequate health care protection, some Americans are making large profits.

Believe It or Not

- ✓ The head of a pharmaceutical company earns more by lunch time on each workday than the average American worker earns in a year.

The head of Bristol-Myers Squibb makes \$12.9 million a year, or \$6,200 an hour, based on an eight-hour day.¹⁰

- ✓ The chief executives of America's largest health insurance companies are paid 5 times more than the President.

The incomes of the CEOs at Aetna, Travelers, and Cigna insurance companies exceeded \$1 million each in 1991.¹¹ The President of the United States makes \$200,000 a year.

Believe It or Not

- ✓ Someone living in the USA pays *twice* what someone living in Europe pays for the same prescription drug.

Americans pay on the average 54 percent more than Europeans for 25 commonly prescribed drugs. Some essential drugs are especially costly in the USA. A month's supply of Eldepryl (a Parkinson's disease medication) costs about \$28 in Italy, \$48 in Austria, and \$240 in the USA. Aerosolized pentamidine (used by AIDS patients to prevent pneumonia) costs \$150 in the USA. In France, Germany, and Great Britain, the price for an identical vial is \$26.¹²

- ✓ The drug industry is the most profitable industry in the United States.

Pharmaceuticals top the Fortune 500 list in percent of profit on return on sales, return on assets, and return on common equity.

Stockholder profits were higher in 1992 for investors in drug companies than investors in any other corporate manufacturing group, and so were profits per dollar of sales.

One of the reasons pharmaceutical companies are so profitable is that drug companies' prices consistently rise at triple the rate of inflation.¹³

The Health Care Crisis Threatens America's Businesses

Health care not only has become America's biggest business, but also is overwhelming most other American businesses.

Believe It or Not

- ✓ General Motors spends more for health care than it does on steel to build cars.

So does Ford Motor Co.¹⁴

- ✓ American employers spend \$26 million per hour on health care.

American employers spend a total of \$225 billion per year (1993 estimate) on health care. That comes to \$616 million a day, or \$26 million per hour.¹⁵

American Telephone and Telegraph pays out \$3 million every day for its employees' health care benefits.¹⁶

Believe It or Not

- ✓ The number of employers paying their employees' medical coverage in full dropped by fully 1/3 in just the past 4 years.

Between 1988 and 1992, the number dropped from 57 percent to 39 percent.¹⁷

- ✓ Although small businesses are the backbone of the American economy, insurance companies discriminate against them by charging them higher premiums than large businesses.

A survey by the National Association of Manufacturers found that employers with fewer than 25 employees pay about 30 percent higher premiums than large employers.¹⁸

- ✓ Health care is a major source of current labor-management conflict.

Health care cutbacks were a major issue in 78 percent of all strike activity in 1989.¹⁹

- ✓ More than 8 of every 10 new companies created each year do not offer health insurance to their employees.

In 1992, 85 percent of new companies did not offer health benefits to their employees.²⁰

The Incredible Health Care Bureaucracy

The cost of administering our failing health care system is outrageous.

Believe It or Not

- ✓ For smaller businesses, administrative costs consume 40 cents of every health dollar.

According to the Congressional Budget Office, administrative costs consume 40 percent of the total health costs for businesses with fewer than 5 employees.²¹

- ✓ Massachusetts Blue Cross alone employs more administrators than does the entire Canadian health care system.

According to *Consumer Reports*, to run a health plan covering 25 million people, Canada employs fewer administrators than Massachusetts Blue Cross, which covers 2.7 million people.²²

- ✓ Each day, our Nation spends nearly a half billion dollars on the American health care administrative bureaucracy.

According to *Consumer Reports*, Americans pay out \$163 billion a year (1992) for health care administrative costs. That comes to \$447 million a day, or \$19 million per hour.²³

Spending More But Getting Less

Although the American health care system is failing our people and our country, we spend more on our system than any other country.

Believe It or Not

- ✓ Although one of every three Americans lacks adequate health care protection, the USA spends more money on health care than other industrial nations which provide health care to all of their citizens.

In 1991 (the last year for which comparable data is available), West Germany spent 8.5 percent of its GDP on health care and covered everyone. Japan spent 6.6 percent of its GDP on health care and covered everyone. The USA spent 13.2 percent of GDP on health care and still, 35 million Americans were without health insurance and 60 million Americans were underinsured.²⁴

- ✓ America spends only a few pennies of every health care dollar on preventive care.

According to the Centers for Disease Control and Prevention, only 3.4 percent of total health expenditures are used for disease prevention and health promotion. Yet, preventive health care could effectively reduce deaths from cancer and heart disease, and could significantly lower the overall cost of health care in the long run.²⁵

Believe It or Not

- ✓ Most American families have no idea what they really spend on health care.

In addition to what families pay directly out of pocket on health care, they are charged far more for what are called the "hidden costs" of health care spending.

As much as 40 cents of every dollar Americans spend on goods and services — at grocers, department stores, and car dealers — is a "hidden cost." It goes to pay business health care expenses.

Roughly 10 percent of all sales, property, income and social security taxes paid by individuals is spent on health care.²⁶

America Without Health Care Reform

Things could be worse — and they will be — unless there is health care reform.

Believe It or Not

- ✓ Within 7 years, health care costs will consume almost 1 of every 5 American dollars, unless current trends are changed.

It is estimated that national health care spending will reach 18 percent of GDP (\$1.7 trillion) by the year 2000.²⁷

- ✓ Within 7 years, almost a quarter of every tax dollar will go to Medicare and Medicaid, unless current trends are changed.

CBO projects that Medicare and Medicaid spending will constitute 23 percent of the Federal budget by the year 2000. By contrast, all discretionary spending (defense, international and domestic programs taken together), is expected to fall from 40 percent to 31 percent of the Federal budget by the turn of the century.²⁸

- ✓ Within 7 years, more than a quarter (one-fourth) of State and local budgets will be spent on health care, unless current trends are changed.

CBO projects that by the year 2000, health spending could rise to more than 27 percent of State and local expenditures.²⁹

Believe It or Not

- ✓ No matter how much we cut domestic programs or defense spending, the deficit will still go up, unless we change our health care system. If the USA does nothing about its health care crisis, nearly half of every dollar of real economic growth between now and the year 2000 will go to feed the ever-increasing cost of health care.

The growth of Federal health care programs is the main reason that the Federal deficit is expected to swell to more than \$500 billion by the year 2002.³⁰

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