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Leading Health Insurance Reform Proposals: Implications for Uninsured and U.S. Health Care Spending

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Growing Interest in Affordable Health Care for All

- Numbers of uninsured have grown from 40 million in 2000 to 47 million in 2005
- Growing financial squeeze on middle class
- New York Times poll confirms health insurance coverage is high on the public's agenda
- Numerous proposals have been introduced in Congress 2005-2007
- President Bush made a new strategy for health insurance coverage a key feature of his State of the Union address and budget
- Presidential candidates are beginning to advance proposals
- Governors are stepping up to the plate

Commonwealth Fund Report Released Today

- Analysis of major Congressional and Administration health insurance reform proposals over 2005-2007 in three broad categories:
 - Fundamental reforms of insurance system
 - Expansions of public insurance programs
 - Strengthening employer-based coverage
- Lewin Group used its microsimulation model to generate coverage and cost estimates
- Health Policy R&D developed side-by-side analyses of Congressional bills
- First of two part series: Part II will analyze proposals to improve quality and efficiency



Major Features of Proposals for Fundamental Health Insurance Reform⁴ and Impact on Uninsured and Health Care Spending

	President Bush's Proposal	Healthy Americans Act ² (Wyden)	Fed./State Partnership 15 States	AmeriCare (Stark)	Senator Edwards' Proposal
Aims to Cover All People		X		X	X
Individual Mandate or Auto Enrollment		X	X	X	X
Employer Shared Responsibility		X	X	X	X
Public Program Expansion			X	X	X
Subsidies for Lower Income Families		X	X	X	X
Risk Pooling		X	X	X	X
Comprehensive Benefit Package		X	X	X	X
Quality & Efficiency Measures	X	X	X	X	X
Uninsured Covered in 2007 ¹ (in millions)	9.0	45.3	20.3	47.8	44??
Net Health System Cost in 2007 (in billions)	(\$11.7)	(\$4.5)	\$22.7	(\$60.7)	N/A
Net Federal Budget Cost in 2007 (in billions)	\$70.4	\$24.3	\$22.0	\$154.5	\$90-120??

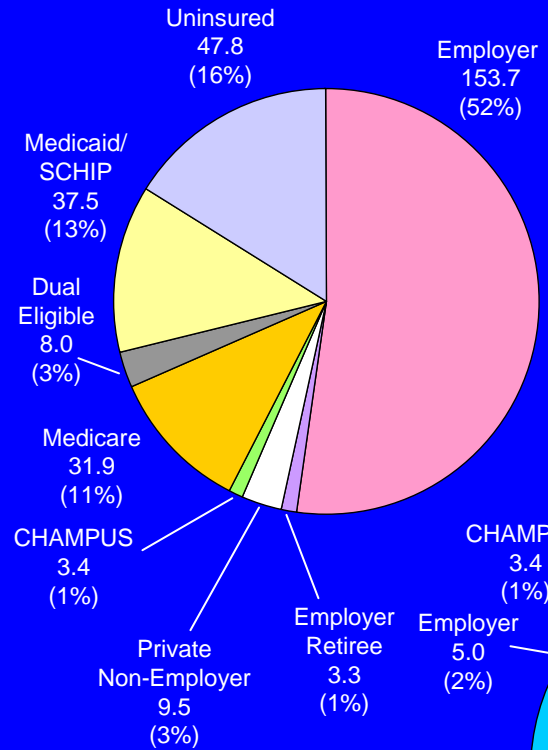
¹Out of an estimated total uninsured in 2007 of 47.8 million.

²Estimates reflect a mandatory cash-out of benefits on the part of employers that currently offer coverage.

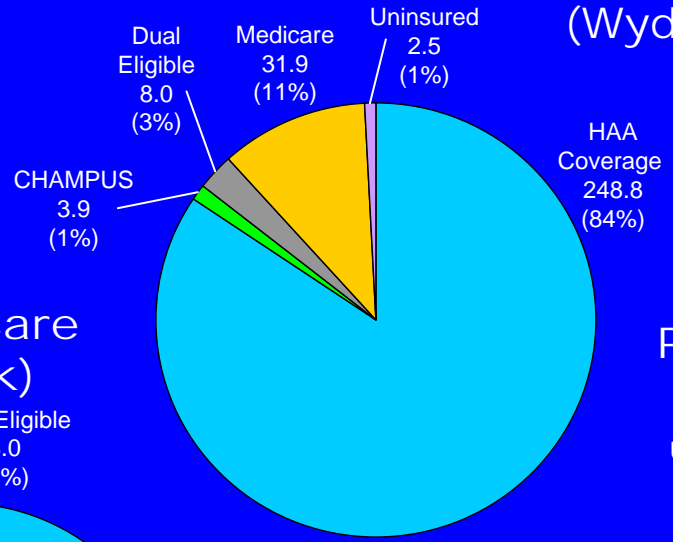
Source: The Lewin Group for The Commonwealth Fund. Edwards' information comes from the campaign, not included in Lewin analysis.

New Proposals Dramatically Change Employer Role As Families Shift to Medicare, Pools of Competing Health Plans, Individual Market (U.S. Population by Primary Source of Insurance, 2007)

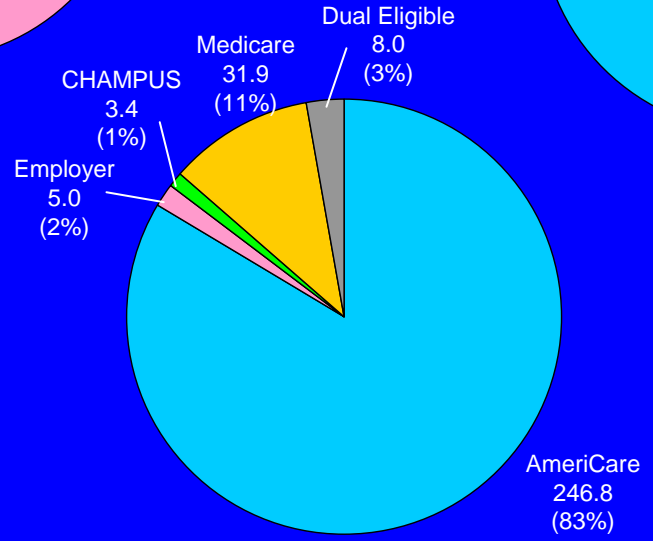
Current Law



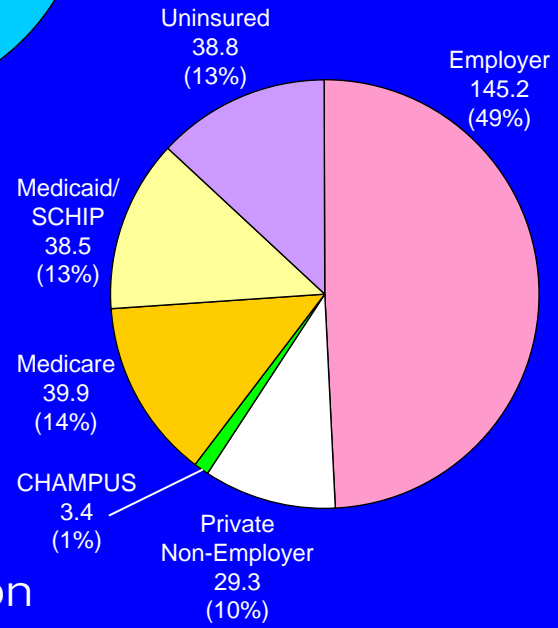
Healthy Americans Act (Wyden)



AmeriCare (Stark)



President Bush's Proposal



Total population = 295.1 million

Note: Average monthly coverage. Primary payer is determined on basis of current prevailing coordination of benefits practices. Source: The Lewin Group for The Commonwealth Fund.

Some Reform Proposals Achieve Near-Universal Coverage While Reducing Total Health System Spending

(Change in Health Spending by Stakeholder Group, Billions of Dollars, 2007)

	President Bush's Proposal	Healthy Americans Act ² (Wyden)	Federal/State Partnership 15 States	AmeriCare (Stark)
Total Uninsured Covered, Millions	9.0	45.3	20.3	47.8
Federal Government	\$70.4	\$24.3	\$22.0	\$154.5
State and Local Government	(\$0.3)	(\$10.2)	\$13.4	(\$57.4)
Private Employers	(\$50.8)	\$60.2	\$5.7	(\$15.2)
Households	(\$31.0)	(\$78.8)	(\$18.4)	(\$142.6)
Net Health System Cost in 2007 (in billions)	(\$11.7)	(\$4.5)	\$22.7	(\$60.7)
Total Uninsured Not Covered ¹ , Millions	38.8	2.5	27.5	0



¹Out of an estimated total uninsured in 2007 of 47.8 million.

²Estimates reflect a mandatory cash-out of benefits on the part of employers that currently offer coverage.

Source: The Lewin Group for The Commonwealth Fund.

Health Reform Proposals Have Potential to Improve Health System Performance: Likely Impact on Access, Efficiency, Equity, Quality, and Health Outcomes





	President Bush's Proposal	Healthy Americans Act (Wyden)	Fed./State Partnership 15 States ²	AmeriCare (Stark)
Access (<i>% of uninsured covered¹ in 2007</i>)	19%	95%	42%	100%
Efficiency (<i>change in national health system spending in 2007</i>)	(\$11.7)	(\$4.5)	\$22.7	(\$60.7)
Equity (<i>change in average family health spending by annual income in 2007</i>)	<\$10,000: -\$23 >\$150,000: -\$1,263	<\$10,000: -\$983 >\$250,000: +\$1,562	N/A	<\$10,000: -\$1,162 >\$150,000: -\$473
Measures to Improve Quality		Medical home, hospital safety, reward healthy behavior, chronic disease management	State proposals required to show improvements in quality, efficiency, and health IT	Uniform electronic claims forms and medical records; electronic national claims data set
Potential to Ensure Long, Healthy, Productive Lives		X	X	X

¹Out of an estimated total uninsured in 2007 of 47.8 million.

²Estimated to cover 86% of the 23.6 million people projected to be uninsured in the 15 states in 2007.

Source: The Lewin Group for The Commonwealth Fund.

Thank You!

-  Stephen C. Schoenbaum, M.D., Executive Vice President for Programs and Executive Director, Commonwealth Fund Commission on a High Performance Health System
-  Cathy Schoen, Senior Vice President, Research and Evaluation, The Commonwealth Fund
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