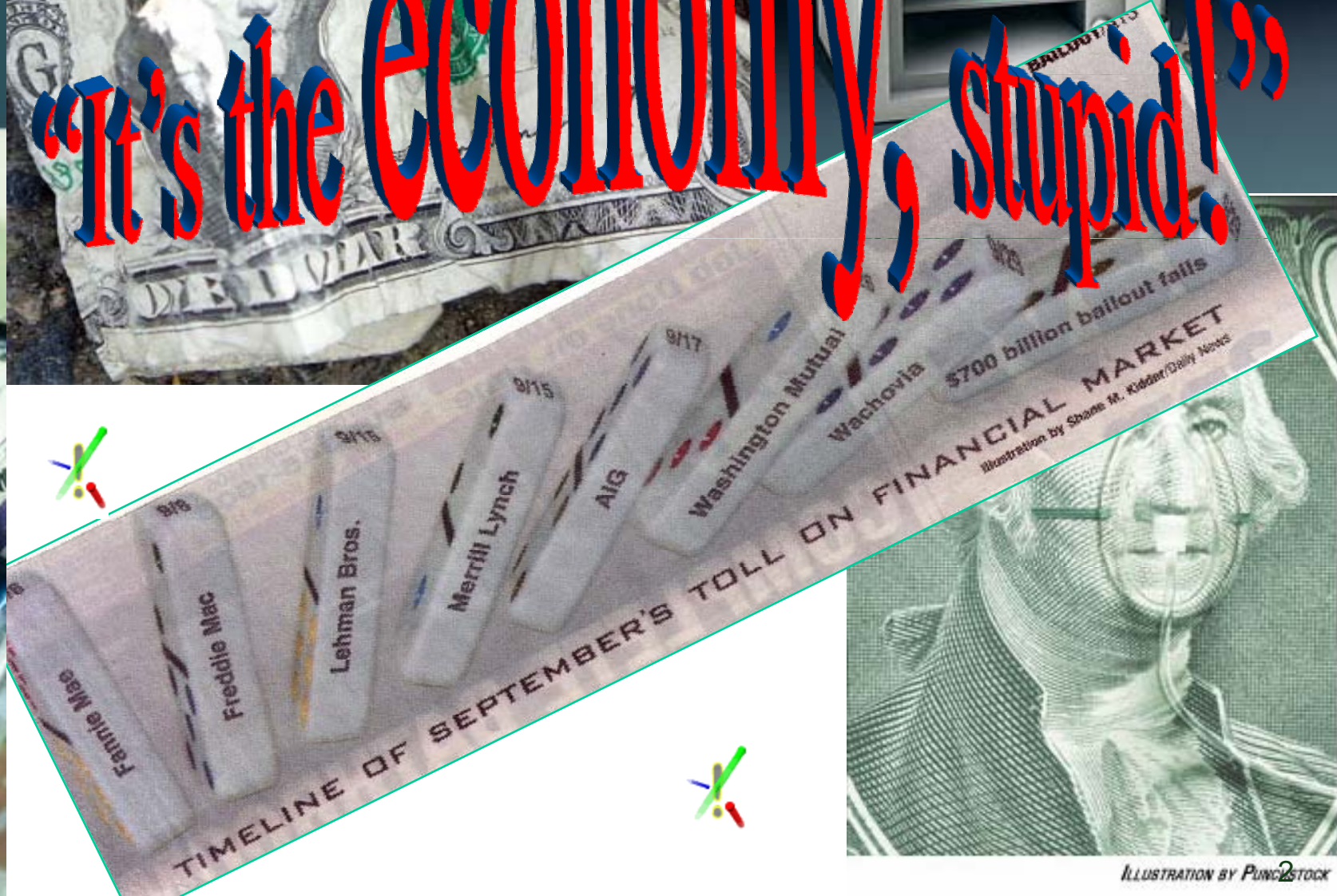




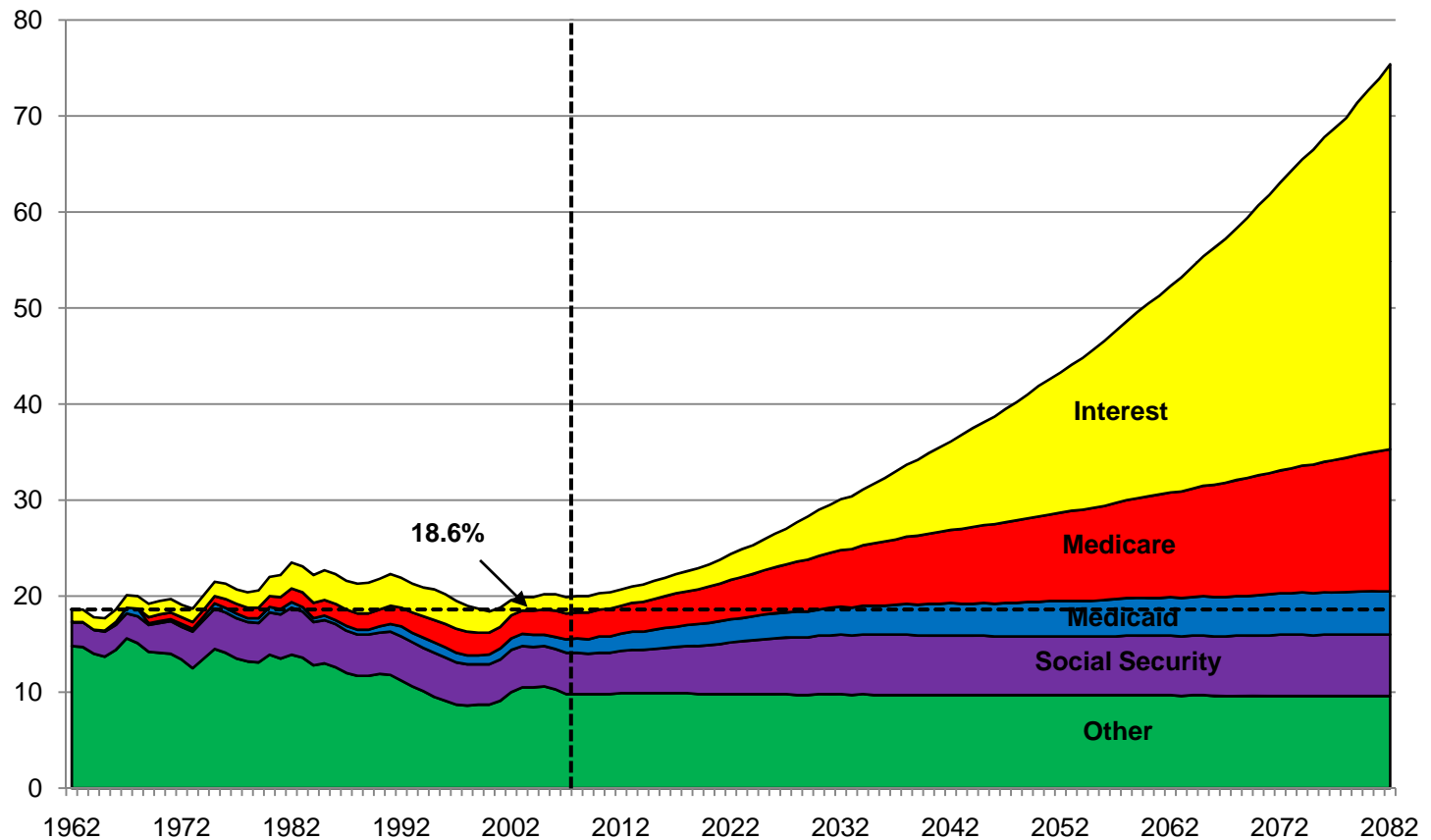
The Obama-nation of Health Care



It's the economy, stupid!



Projected Federal Spending as a Percent of GDP

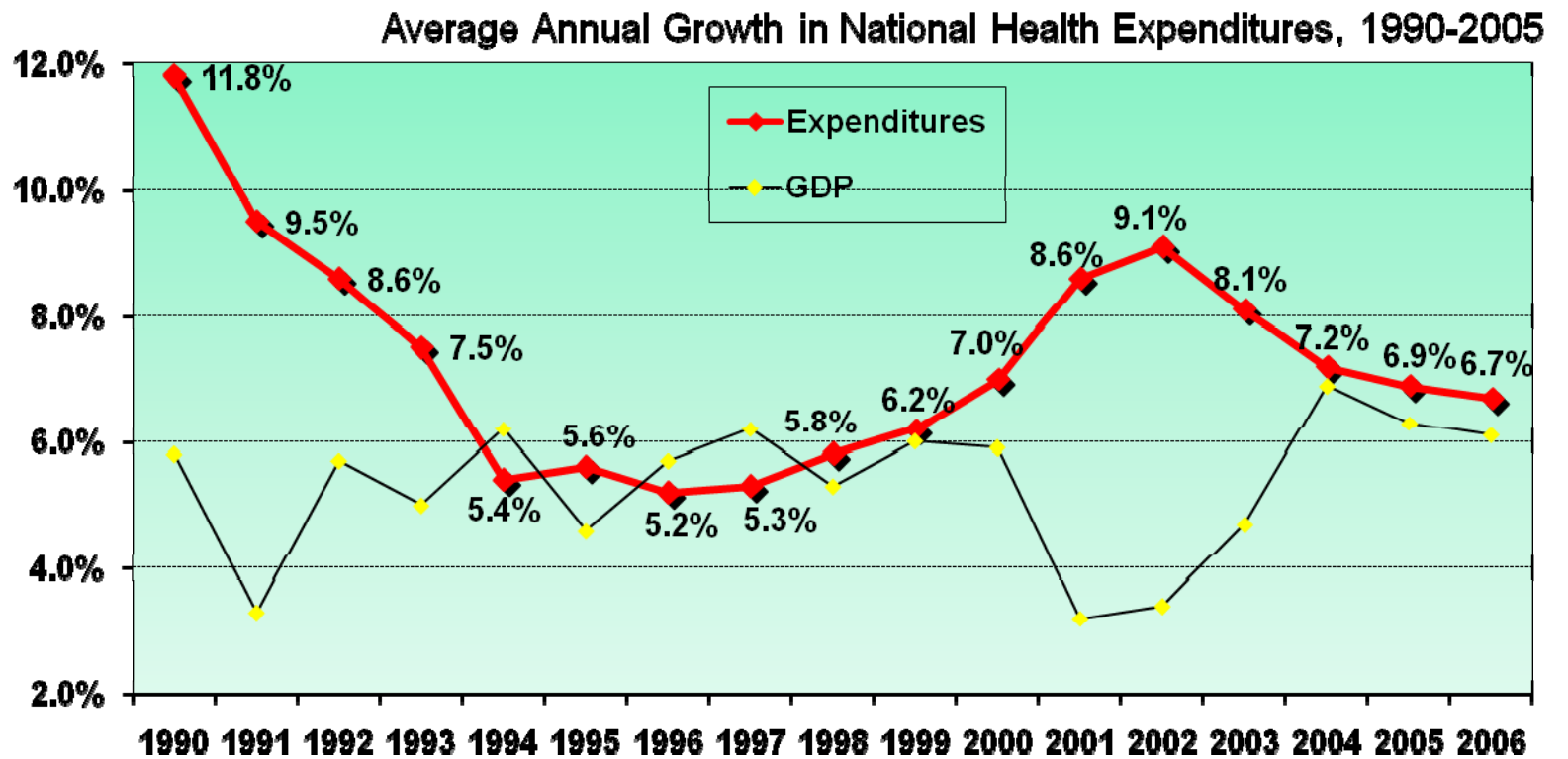


Source: CBO, "The The Budget and Economic Outlook: Fiscal Years 2008 to 2018," January 2008.
Accessed online at http://cbo.gov/ftpdocs/89xx/doc8917/01-23-2008_BudgetOutlook.pdf

Health Expenditures Continue to Grow Less Rapidly...

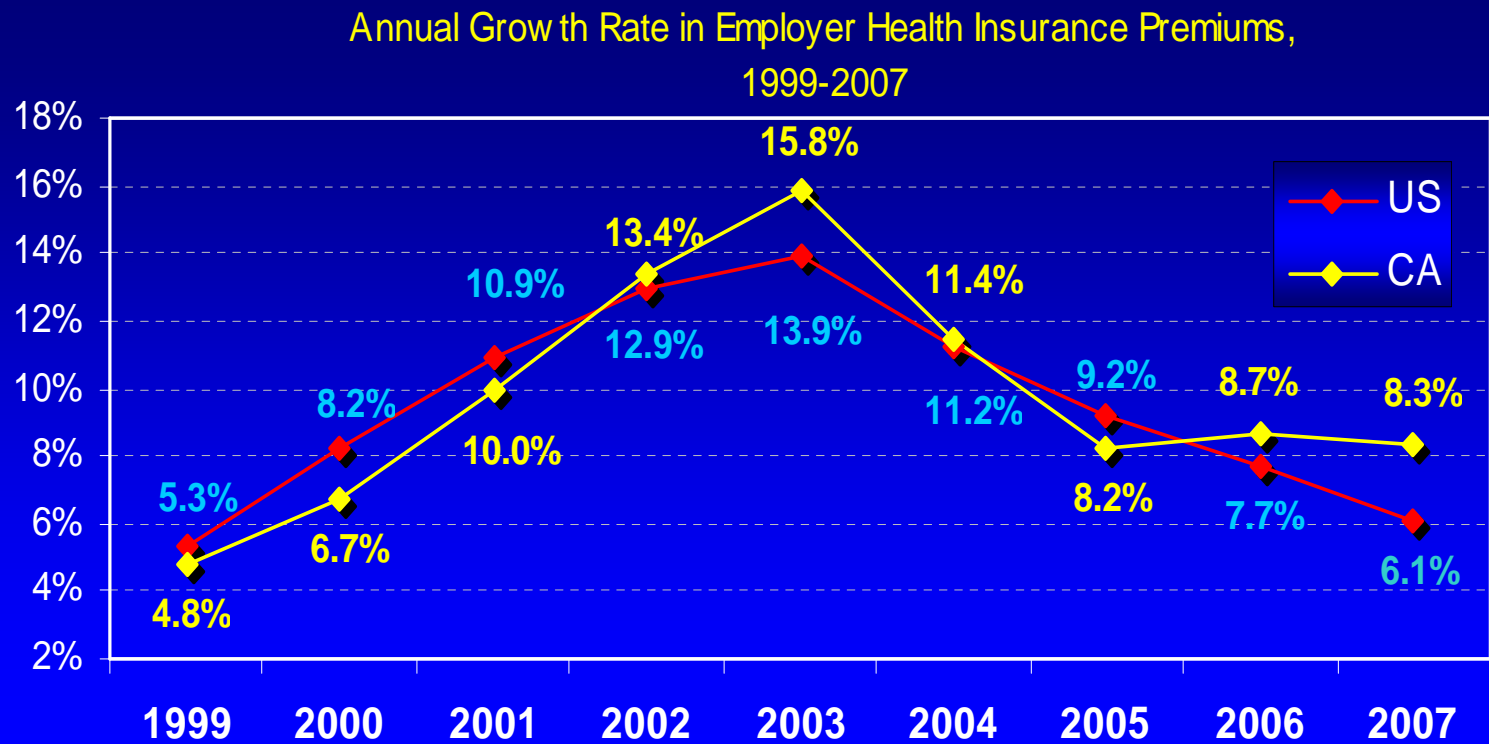
Both in Absolute Terms and Relative to GDP

But Health Expenditures Now Represent 16.0% of GDP



Source: Centers for Medicaid and Medicare Services, Office of the Actuary.

Growth in Employer Health Insurance Premiums Remained in Single Digits 1in 2007 (and Last Year)



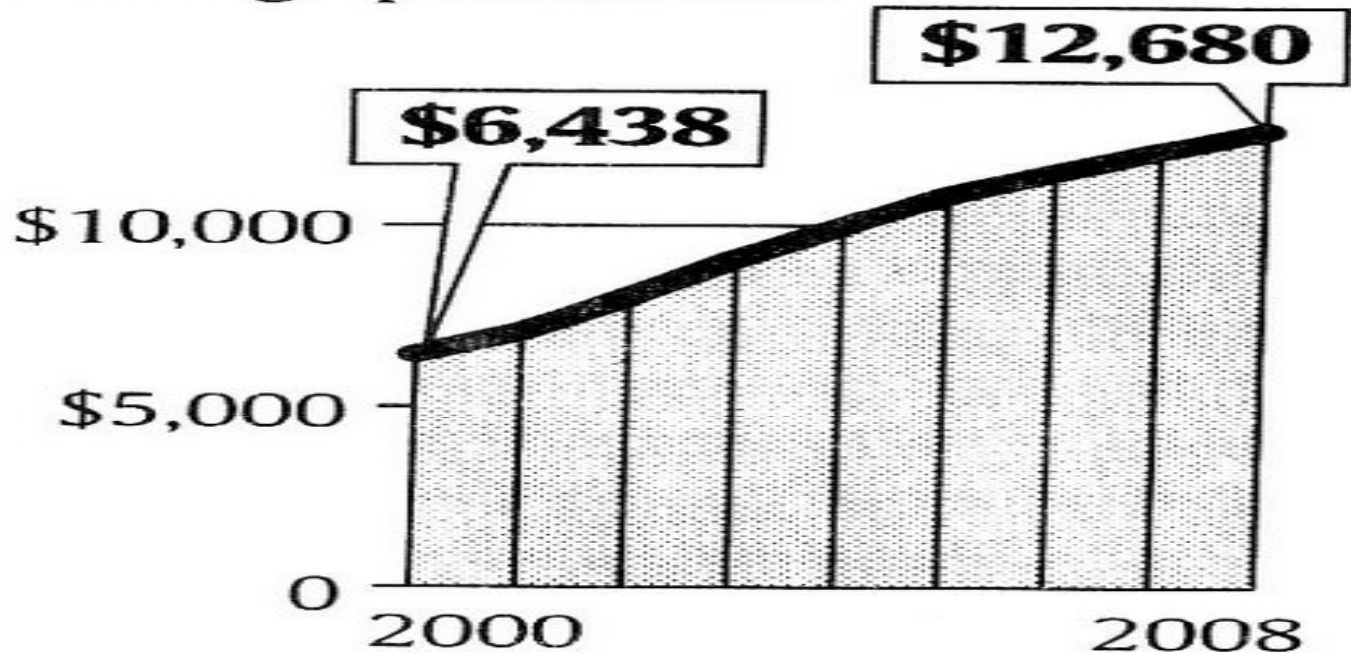
Source: CHCF/NORC California Employer Health Benefits Survey, 2007.

Affordability

Costly coverage

Premiums for family health insurance plans have nearly doubled this decade.

Average premiums:



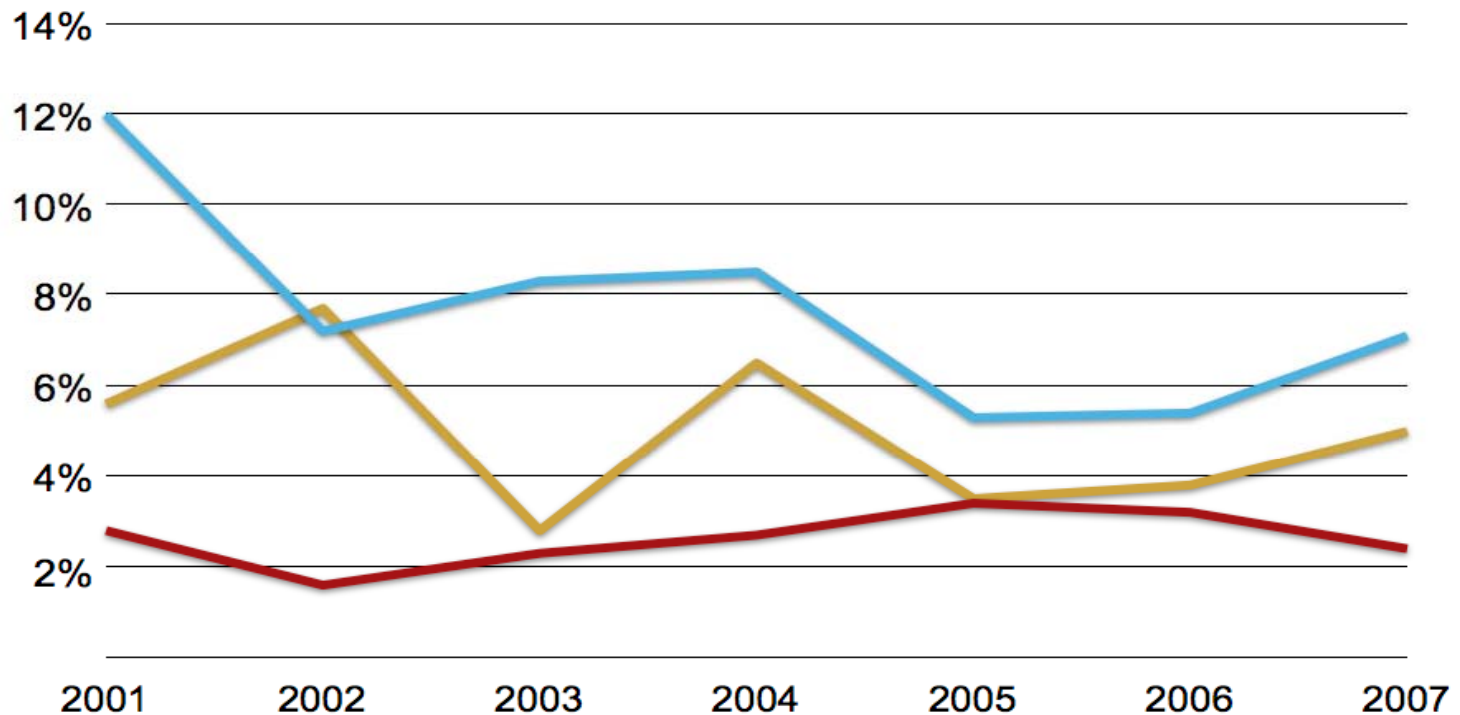
Source: The Kaiser Family Foundation

By Karl Gelles, USA TODAY

UNDERSTANDING HEALTHCARE COSTS: WHO IS RESPONSIBLE?

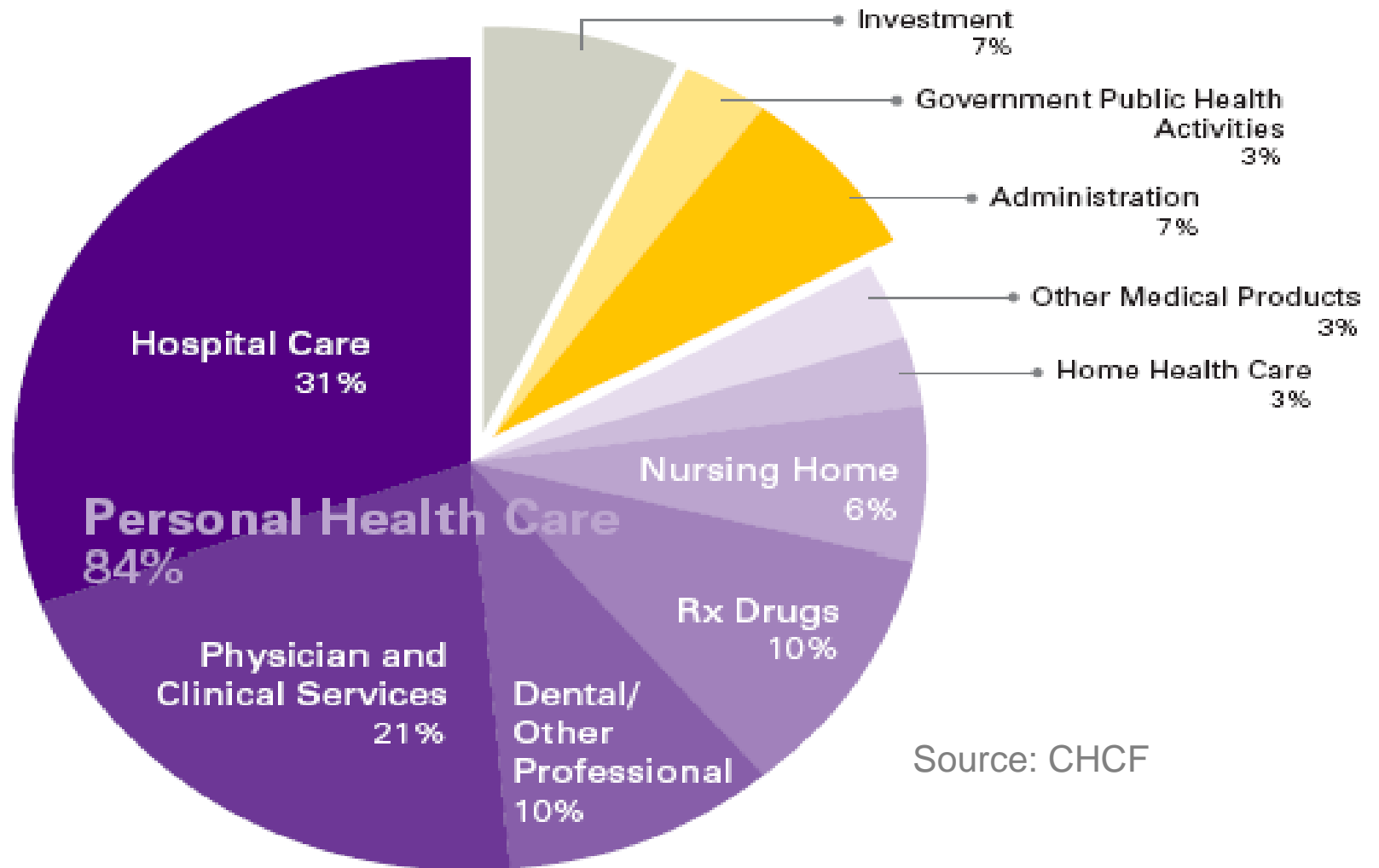
Premiums have far outpaced inflation and reimbursements to hospitals

- Average Premium Growth Rate for Large Insurance Companies
- Consumer Price Index
- Medical Consumer Price Index



Spending Distribution by Category - 2006

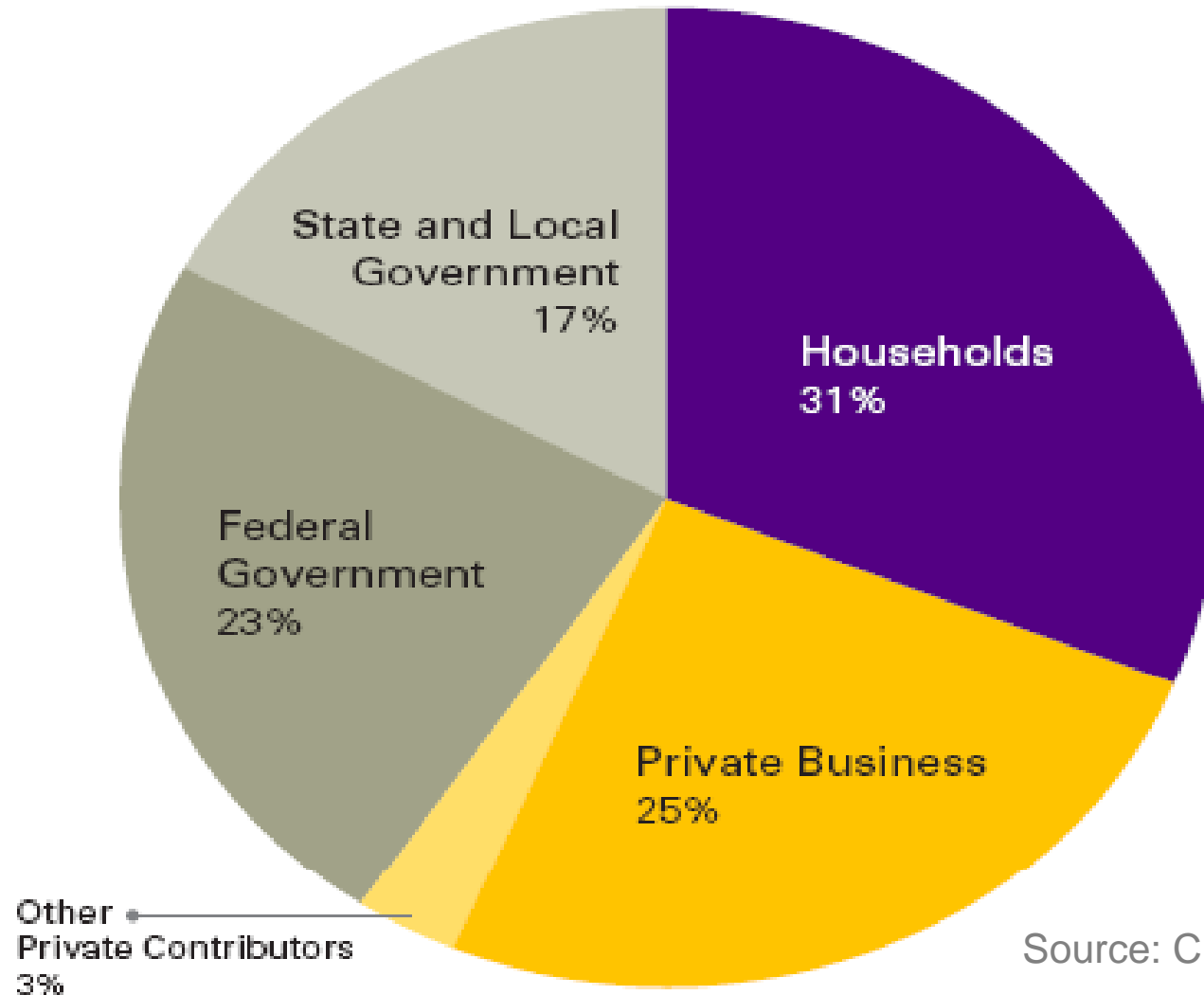
Total Spending: \$2.1 trillion



Source: CHCF



Spending Distribution by Contributors - 2006

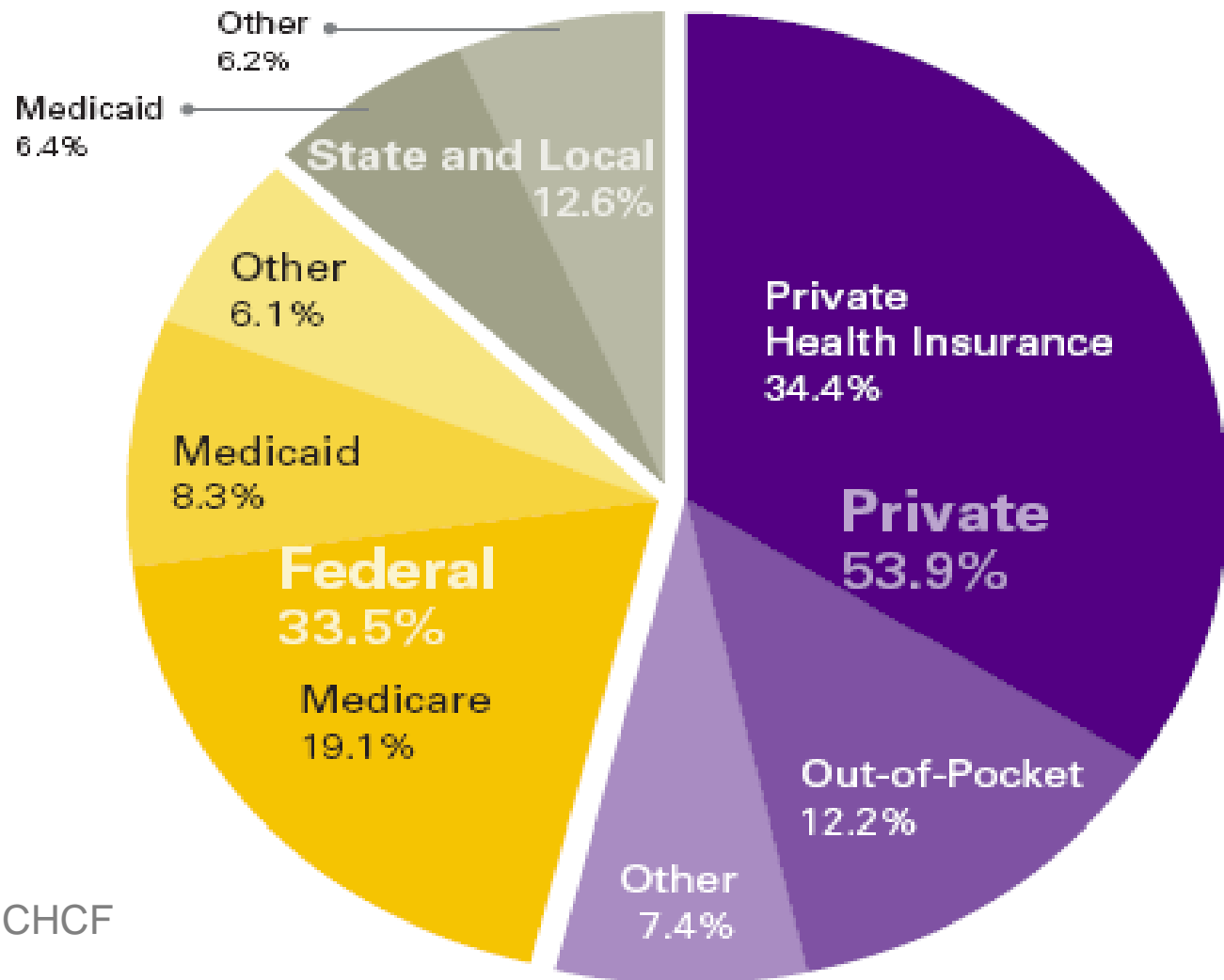


Source: CHCF



Spending Distribution by Payer - 2006

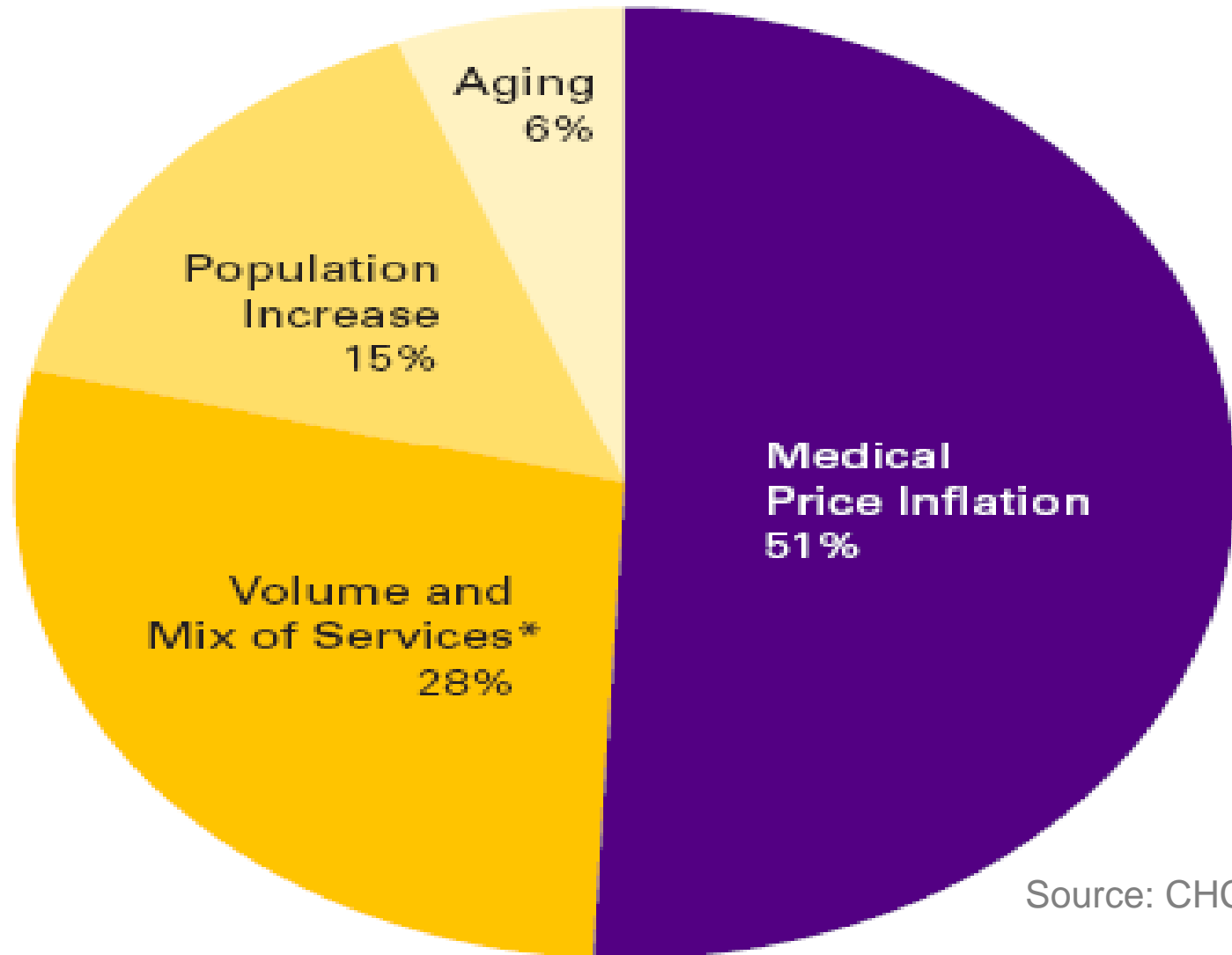
Total Health Spending: \$2.1 trillion



Source: CHCF



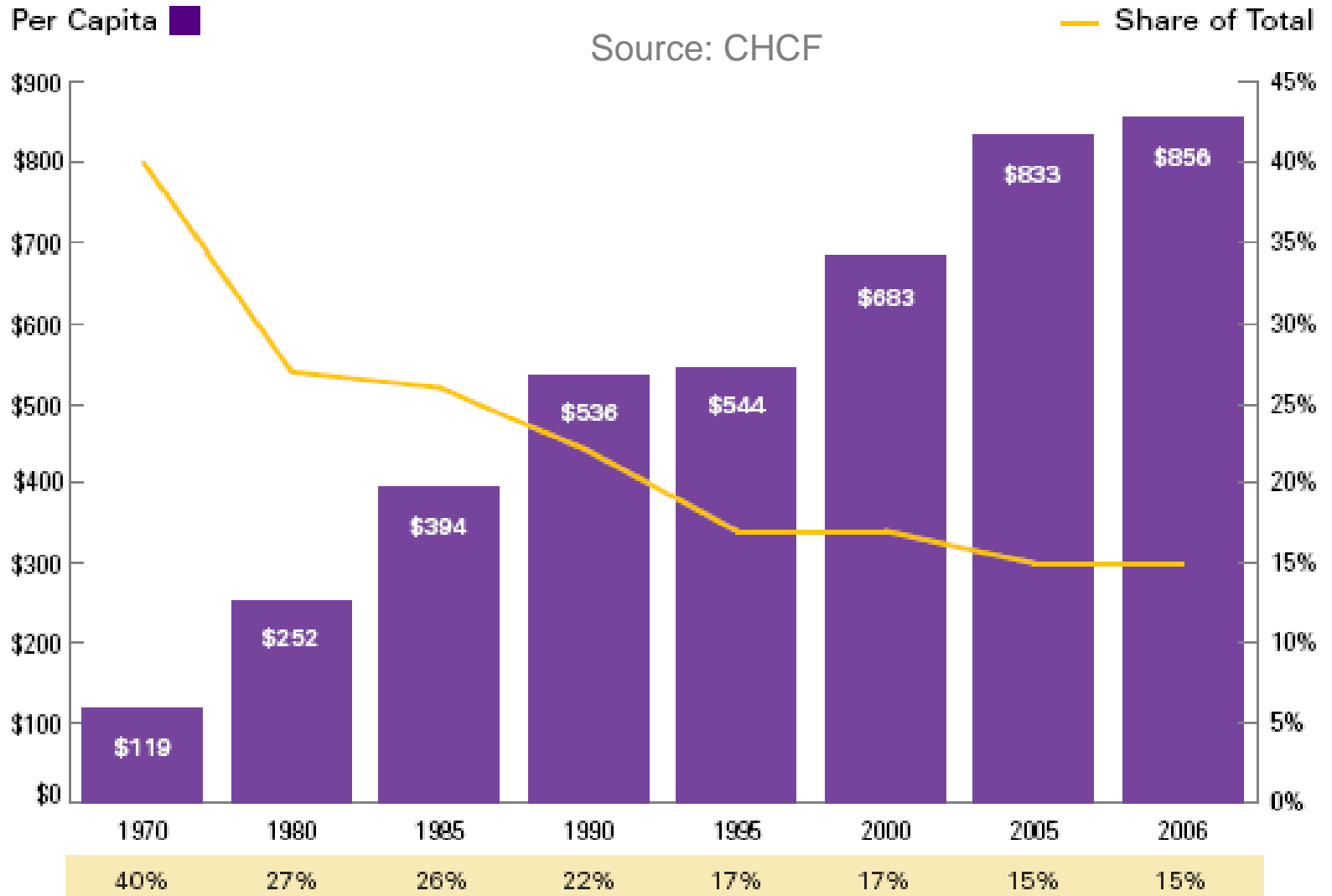
Drivers of Spending Growth - 2006



Source: CHCF

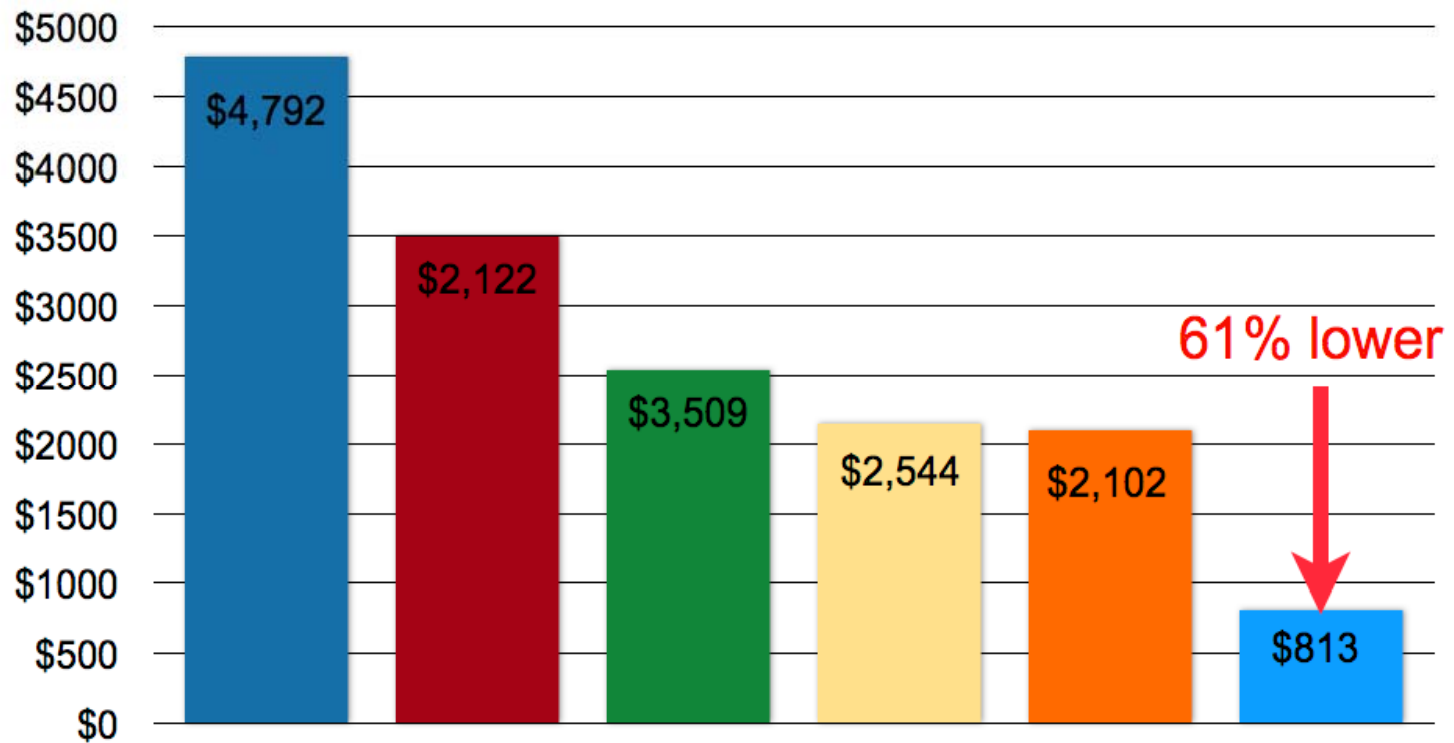


Annual Out-of-Pocket Spending



Medicaid Disparity

Average payment per Medicaid patient is less in California than any other state

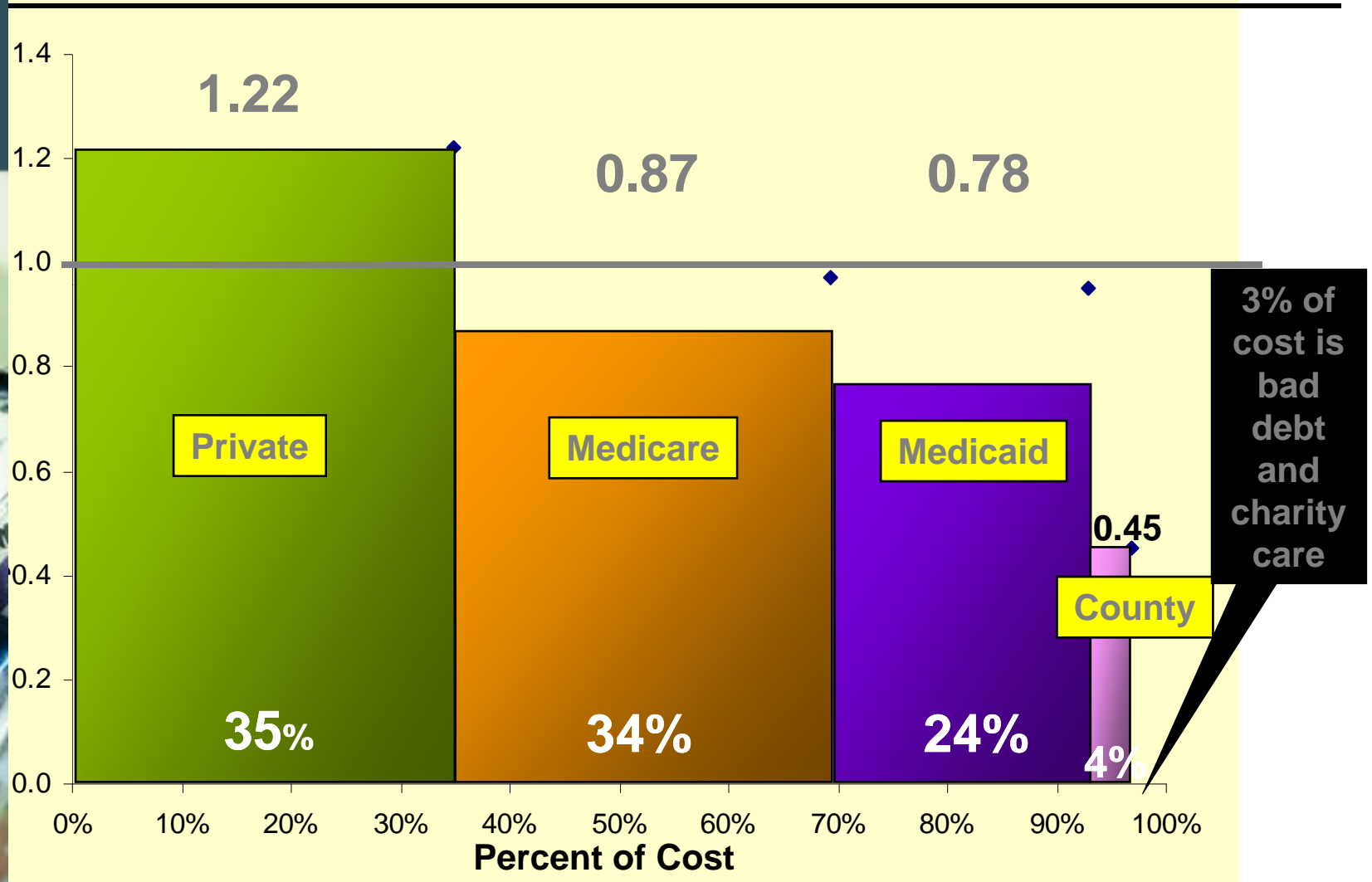


Source: Kaiser State Health Facts '05 Distribution of Medicaid Payments by Enrollee.

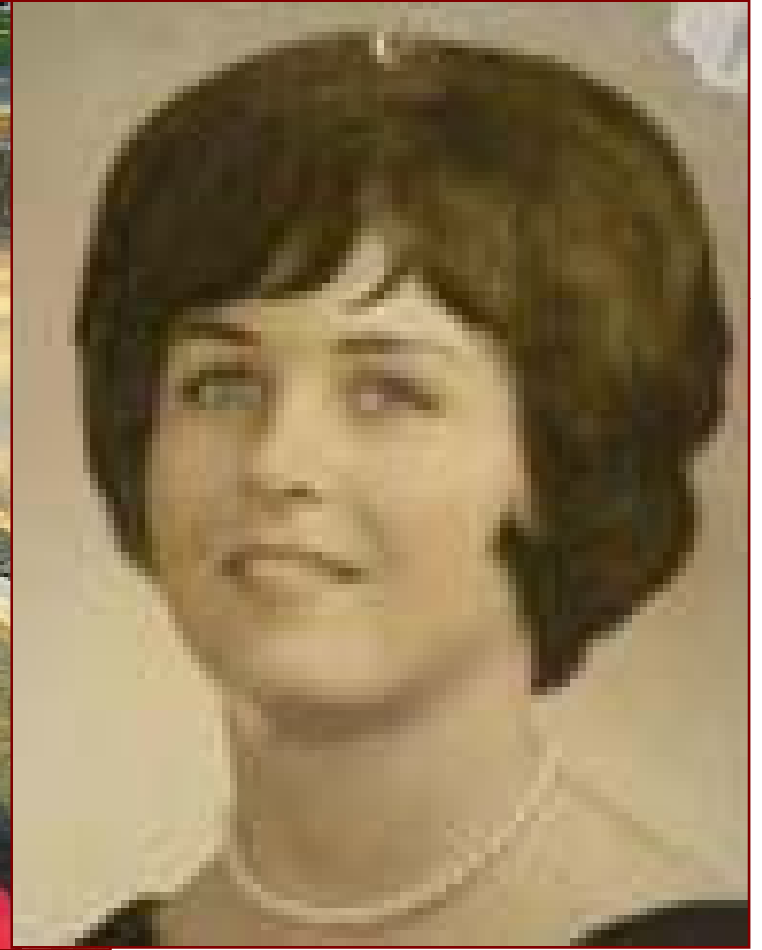
■ Alaska ■ New York ■ Texas ■ Florida ■ US Average ■ California



Hospital Payment to Cost Ratios by Payer



Kathleen Casey-Kirschling



Something to think about?



For 20 years, from 2011 to 2031,
some 10,000 people will
turn 65 every day

By 2030, the percentage of the
population 65 and older will be
almost double what it was in 2000

**Are we ready for the
Golden age of boomers?**

America's Silver Tsunami



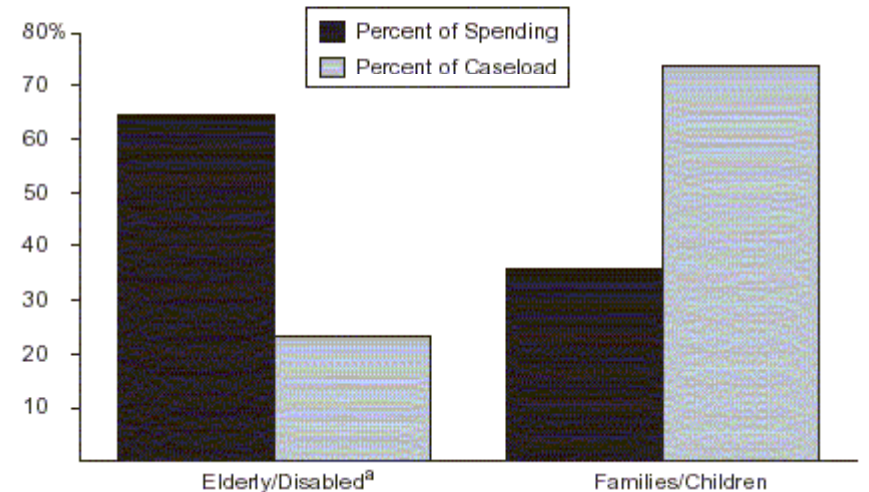
Some other things to think about?



Figure 2

Medi-Cal: Most of Caseload Is Families/Children
Most Spending Is For Elderly/Disabled

2001-02



^aIncludes long-term care.

Obesity &

Chronic Disease Management

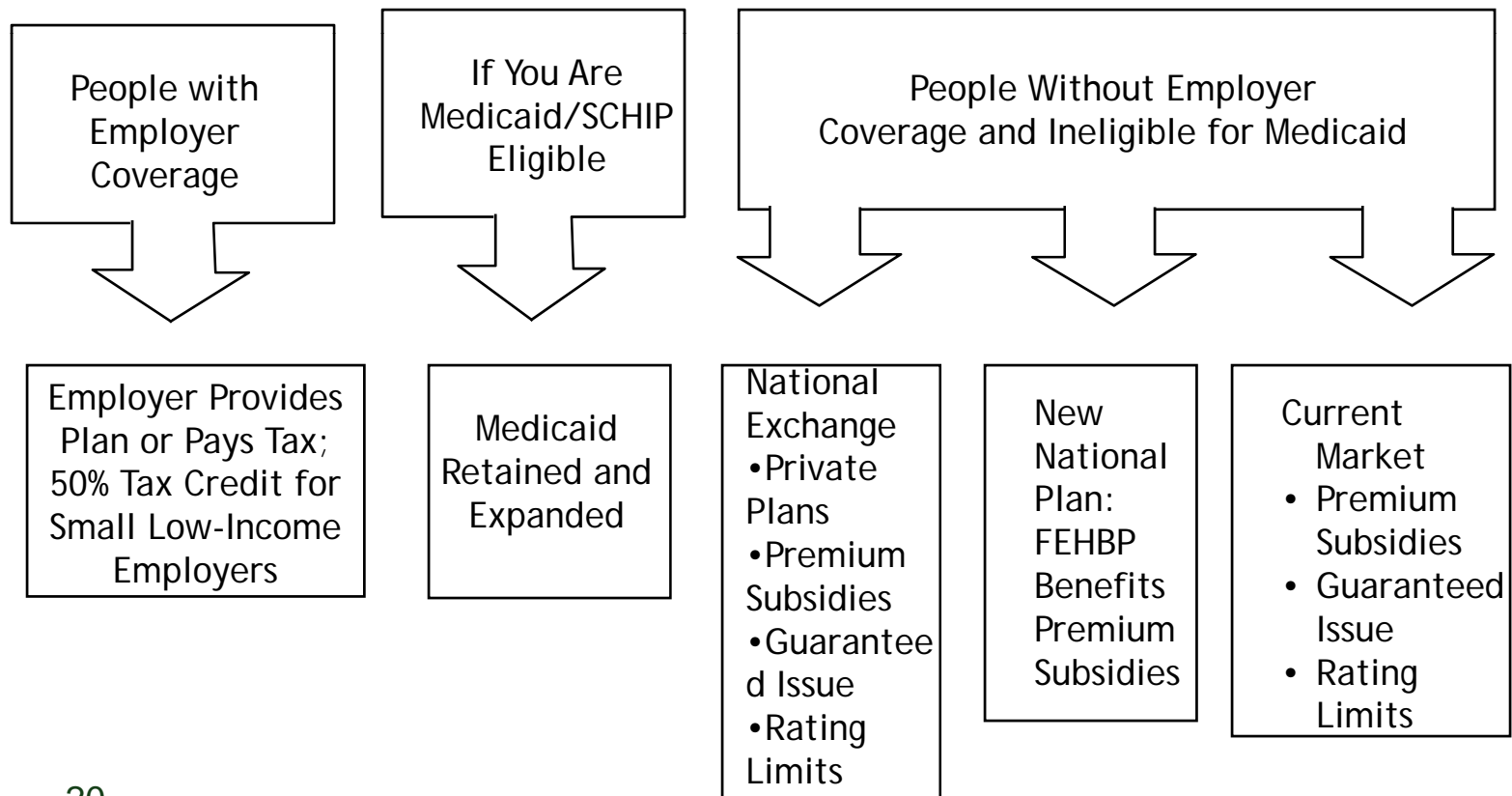
Health Care Reform

....Can this patient be saved?



Obama Health Proposal – “Plan for a Healthy America”

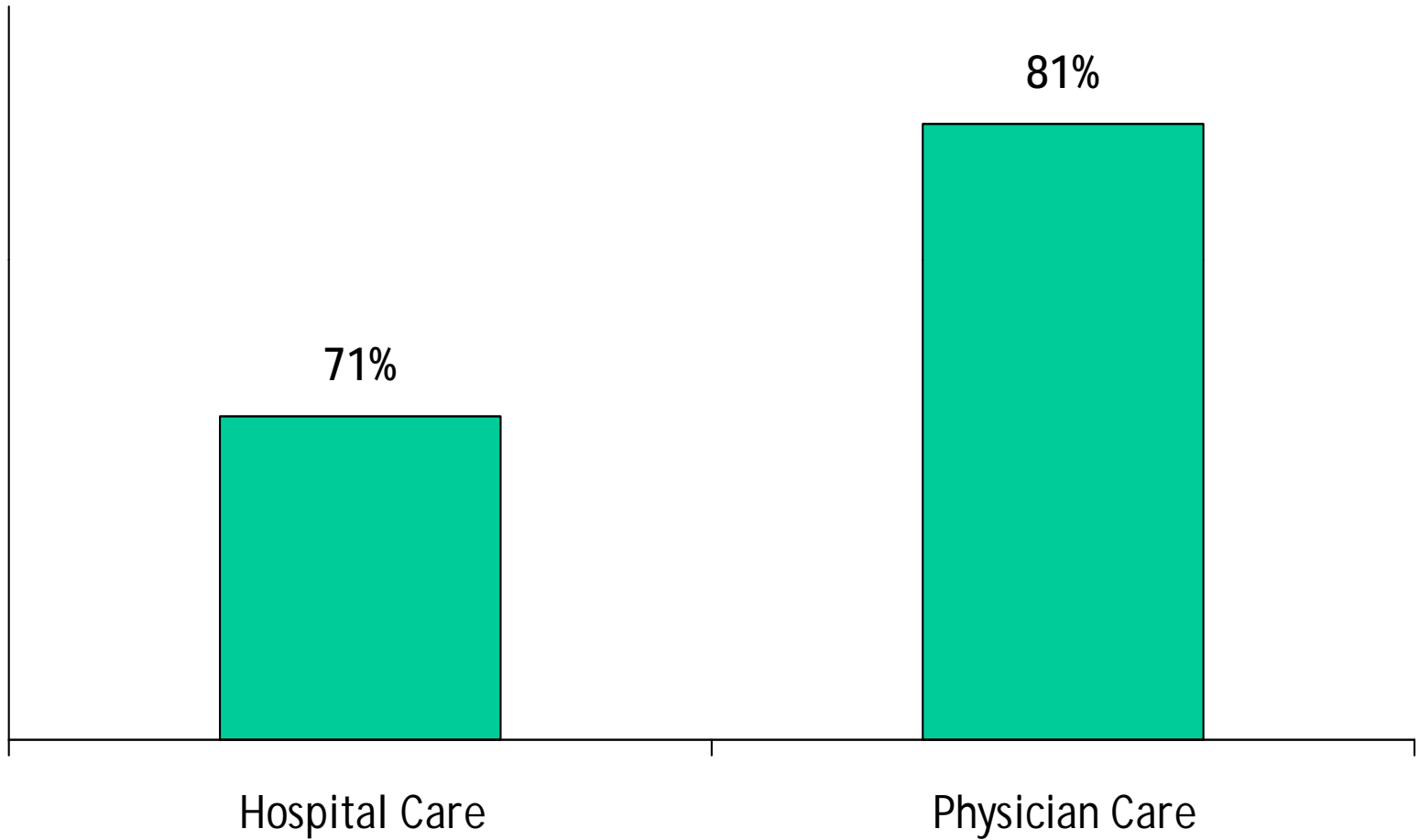
- All Children Must Have Coverage - Enforcement not Specified
- Voluntary Subsidized Coverage for Low-Income - Not Specified
- New National Exchange as Alternative to Current Market



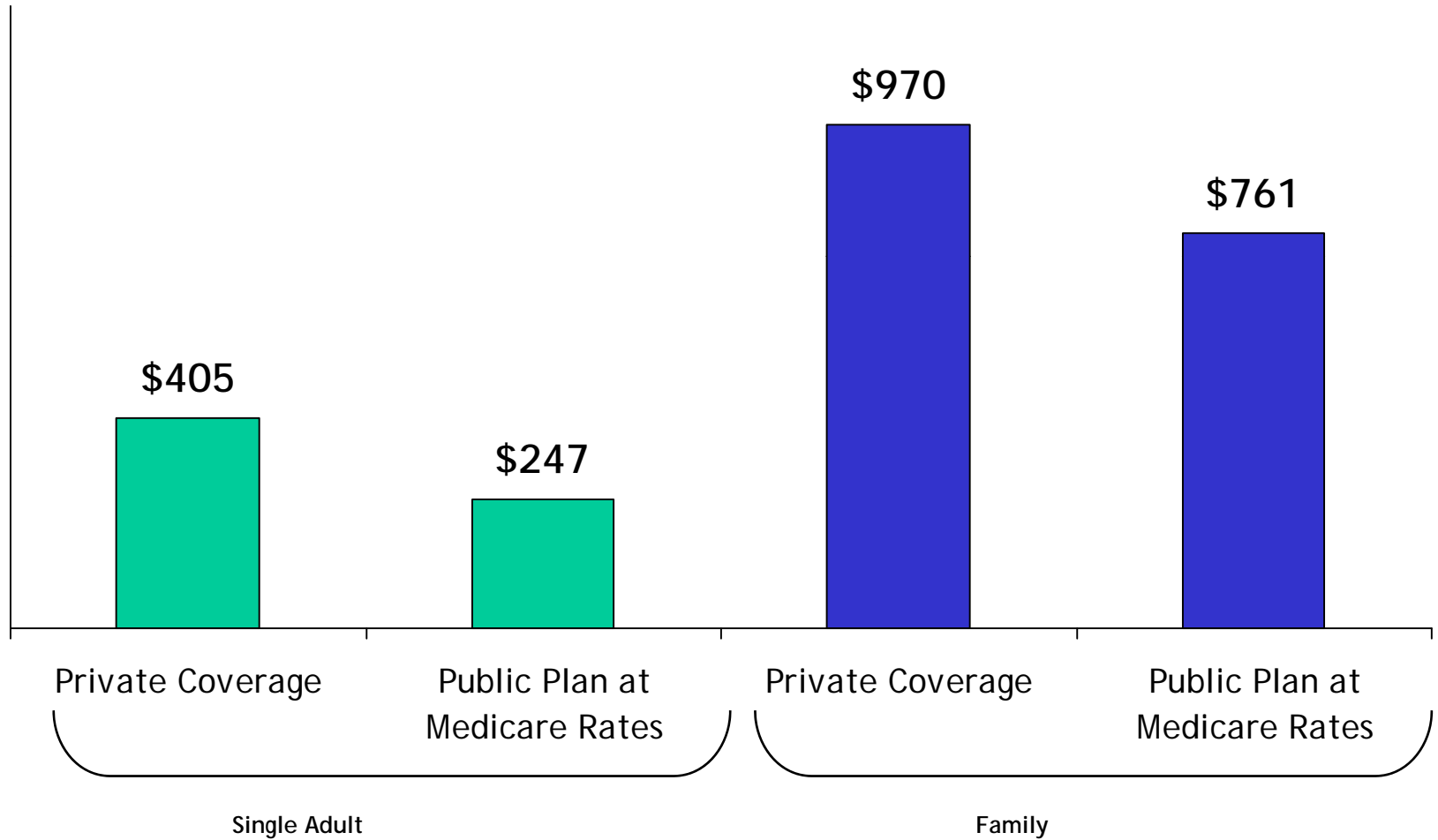
Key Impacts of the Obama Health Reform Proposal

	Change under Obama Plan
Reduction in Uninsured (2010)	-26.6 million
Change in Public Coverage (2010)	48.3 million
Change in Private Coverage (2010)	-21.6 million
Change in Employer Coverage (2010)	4.7 million
Net Federal Cost (2010-2019)	\$1.17 trillion
Medical Underwriting	Prohibited
Cost Containment	Modest

The Public Plan: Medicare Provider Payments as a Percent of Private Payer Rates

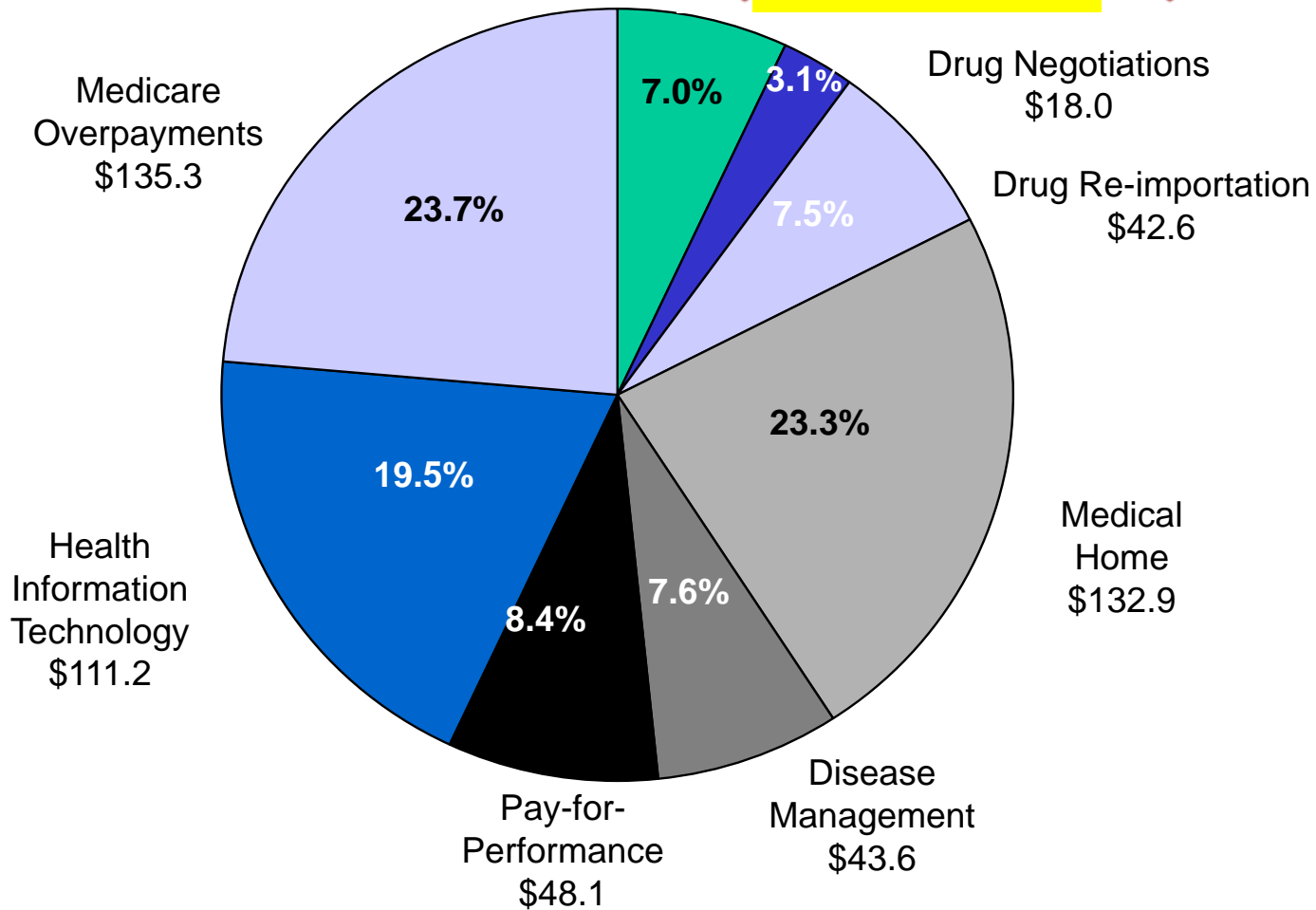


The Public Plan: Impact of Using Medicare Provider Payment Rates on Premiums in the National Plan



Reduction in National Health Spending under Cost Containment Provisions of the Obama Proposal: 2010-2019 (billions)

Comparative Effectiveness \$39.9



Total System Savings = \$571.6



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Questions



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