

**SENATOR JEFF BINGAMAN
HEALTH REFORM 2009**

THE COST OF DOING NOTHING

There are 46 million Americans who are uninsured and that number is rapidly growing. This problem is particularly acute in New Mexico; we are the second most uninsured state in the nation. The cost of medical care is rising and becoming increasingly unaffordable for individuals and businesses. Those most in need of health insurance often are denied coverage and many others worry about whether they are one diagnosis away from financial ruin. The health care system in America needs reform and the cost of doing nothing is far too great.

Growing Health Care Costs and Uninsured New Mexicans

- ❖ The average cost of an employer-sponsored health insurance plan for a family of four in New Mexico was \$6,222 in 2000 and \$11,279 in 2006—the same policy is expected to cost \$28,533 in 2016.¹ Unchecked, New Mexico faces the greatest increase in health insurance premium costs compared to all other states.²
- ❖ The Congressional Budget Office projects that without health care reform, total spending on health care will rise from 16% of gross domestic product (GDP) in 2007 to 25% in 2025 and nearly 50% in 2082.³
- ❖ Employers are hard-pressed to offer health insurance coverage to employees as premiums continue to rise. In fact, between 2000 and 2007, the proportion of Americans covered through an employer-sponsored health plan fell 4.8%—it is estimated that this share will fall an additional 2.4% by 2012 unless health care costs are curbed.⁴
- ❖ The number of uninsured Americans has been growing steadily and is due, in part, to escalating health care costs. Approximately 490,000 New Mexicans do not have health insurance; this corresponds to a 10% increase in the uninsured rate since 2007.⁵ Without health care reform, an additional 80 New Mexicans will lose their health insurance coverage with every passing day.⁶
- ❖ Financially strapped cities, states, hospitals, physicians as well as those who are insured bear the costs for providing uncompensated care to the uninsured. Unless all Americans are covered by health insurance, families purchasing insurance will continue to pay almost \$1,000 extra annually in their premiums as a result of uncompensated care.⁷

Unfair Insurance Practices

- ❖ Without health care reform, insurers on the individual market will continue to refuse coverage or offer discriminatory rates based on gender or pre-existing medical conditions. Insurance companies will still be able to rescind coverage when a person is diagnosed with an expensive condition such as cancer or place annual or lifetime payment caps for covered services.
- ❖ Americans have few choices when it comes to health insurance. More than half of the insurance market is controlled by a single carrier in 21 states. In New Mexico, 65% of the health insurance market is controlled by the two largest carriers. New Mexicans will continue to pay higher premiums unless insurers are made to compete for their business.⁸

¹ Agency for Healthcare Research and Quality, Center for Financing. Access and Cost Trends. MEPS-Insurance Component, Tables II.D.1, II.D.2, II.D.3.

² Elizabeth Carpenter and Sarah Axeen. The Cost of Doing Nothing. Why the Cost of Failing to Fix Our Health System is Greater than the Cost of Reform. New American Foundation. November 2008.

³ Congressional Budget Office. Budget Options: Volume I, Health Care. December 2008.

⁴ Ken Jacobs and Dave Graham-Squire. No Recovery in Sight: Health Coverage for Working-Age Adults in the United States and California. UC Berkeley Center for Labor Research and Education. April 2009.

⁵ Mark Holmes, Thomas C. Ricketts, and Jennifer King. Updating Uninsured Estimates for Current Economic Conditions: State Specific Estimates. Cecil G. Sheps Center for Health Services Research and North Carolina Institute of Medicine. March 2009.

⁶ Center for American Progress. Why New Mexico Needs Health Reform: By the Numbers. July 2009.

⁷ Families USA. Paying a Premium: The Added Cost of Care for the Uninsured. June 2005.

⁸ Ben Furnas and Rebecca Buckwalter-Poza. Center for American Progress. HealthCare Competition: Insurance Market Domination Leads to Fewer Choices. June 2009.