

2018 Health Care

The National Outlook

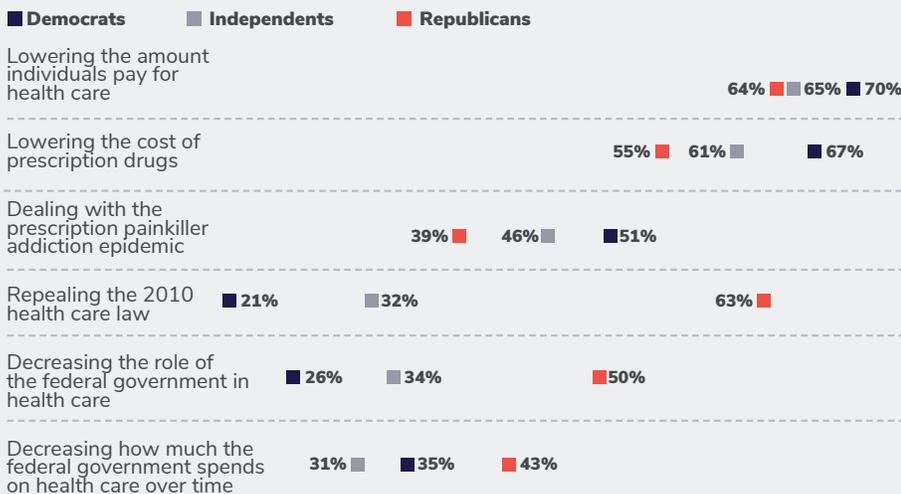
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Thanks to battles in Washington, health care has been in the news more than ever over the past few years. No matter where on the political spectrum we fall, it's clear that this is a key issue for voters and families in November. It's critical for candidates to understand the motivations behind that growing energy, and the options available at the state and federal level to respond to constituents' concerns.

Overwhelming majorities of voters of both parties cite affordability as a top concern

Lowering Out-of-Pocket Costs Top Health Care Priorities Among Partisans, Other Priorities Vary by Party

Percent who say each of the following things should be a "top priority" for Donald Trump and the next Congress when it comes to health care:



Kaiser Health Tracking Poll

Americans receive health care coverage from many different sources

About 1/3 of the population is covered through Medicare and Medicaid—programs that offer insurance to seniors, people with disabilities and certain medical conditions, and families and individuals who qualify because of their income.

While most of the recent health care debate has focused on the Affordable Care Act, only 7% of people purchase insurance through the Marketplaces created by the law—a number that's dwarfed by the almost 50% of Americans covered by insurance offered through their employer.

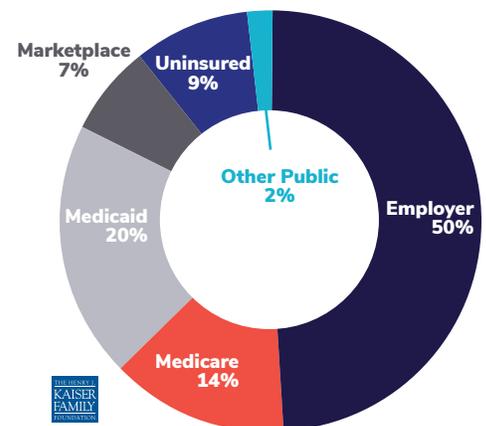
When Americans talk about high health care costs, what do they mean?

Premiums: Monthly payments for health insurance. These costs can be particularly significant for individuals and families who don't receive insurance through their employer, but make too much money (over \$100,000 for a family of four) to qualify for subsidies to purchase insurance.

Cost sharing: Fee paid (including copayments and coinsurance) when someone sees a doctor, pays for a prescription, or receives another medical service.

The direct costs of care: If a consumer is uninsured or has low-quality insurance, they will have no protection from the "sticker price" of the health care they use.

How are People Covered in the US?



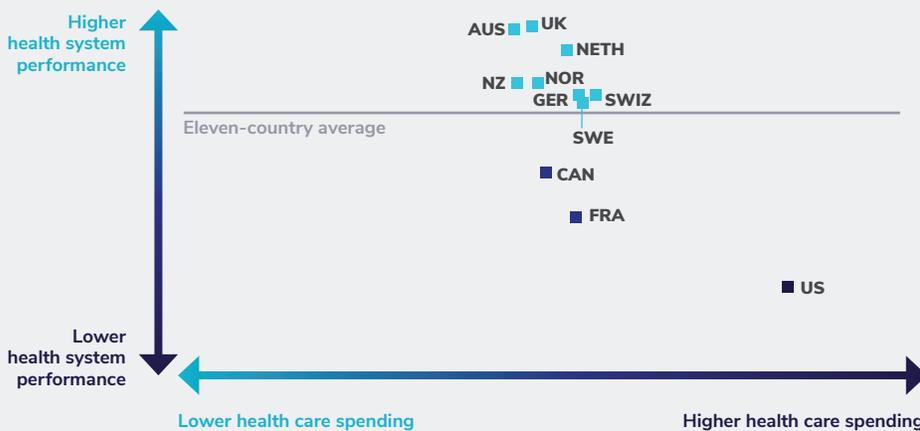
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Cost is a concern at the state and national level, as well as for individuals and families. America continues to pay more for health care and gets worse results than similarly affluent countries

Health Care System Performance Compared to Spending



Note: Health care spending as a percent of GDP.

Source: Spending data are from OECD for the year 2014, and exclude spending on capital formation of health care providers.



E.C. Schneider, D.O. Sarnak, D. Squires, A. Shah, and M. M. Doty, Mirror, Mirror: How the U.S. Health Care System Compares Internationally at a Time of Radical Change, The Commonwealth Fund, July 2017.

Poor health outcomes impact individuals and families negatively, and they're also a drag on our economy. This disconnect between spending and results can be attributed to several factors:

- ★ Fragmentation and lack of coordination of care
- ★ Misaligned incentives
- ★ Monopolies and lack of competition
- ★ Inequality in both access to care and other social services that impact health
- ★ Inadequate resources for mental health

Federal and state policymakers both have a role in solutions

At the state level, elected officials can:

- ★ Regulate their insurance marketplace
- ★ Address drug prices
- ★ Propose some changes to Medicaid—including who it covers (consistent with federal law) and how it is administered
- ★ Use a variety of policy levers to incentivize higher value and more coordinated care

At the federal level, some policies require action through legislation or approval from the executive branch:

- ★ Certain changes to the Medicaid program or the private insurance marketplace require a waiver from federal rules which must be approved by the Centers for Medicare & Medicaid Services (CMS)
- ★ ERISA laws that govern most employer sponsored health plans
- ★ Changes to Medicare

