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NEWS RELEASE

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**THE COMMONWEALTH FUND AND CONSUMERS UNION: PUT PEOPLE FRONT
AND CENTER IN HEALTH REFORM**

**Washington, DC, Event Featuring Director of HHS Office of Health Reform Jeanne
Lambrew Highlights Needs of Americans Affected by the
Recession, Lacking Insurance, or Underinsured**

***New Commonwealth Fund Report Finds National Health Insurance Exchange and Choice of
Affordable Plans Key to Stable, Secure Health Insurance for 71 Million Uninsured and
Underinsured, and One-Third of Insured Americans Forced to Frequently Change Insurance***

Washington, DC, June 11, 2009—The Commonwealth Fund and Consumers Union will come together today for an event in Washington, D.C. to highlight the need for health reform that will provide security and stability for millions of people struggling to get the health care they need and describe how a patient-centered health care system would make a difference for them.

According to a new Commonwealth Fund report released today, a number of reforms currently being discussed would move the U.S. toward a more patient-centered health care system that would provide access and affordability to millions of Americans. The report says creating a new market for health insurance coverage by introducing a national health insurance exchange with choices of plans is essential to ensuring a health care system that provides affordable health insurance choices, stable and secure health care coverage, and high quality care. Forty-six million Americans were uninsured at the start of the recession, 25 million were underinsured, 72 million reported difficulty paying medical bills or had medical debt, and one-third of insured Americans changed insurance in the last three years and often not by choice, according to the report.

“We have a historic opportunity this year to move the nation toward a truly high performing health care system,” said Commonwealth Fund President Karen Davis. “As the debate about how best to proceed continues, and we hear from stakeholders on all sides, it is imperative that we keep the most important voice—the voice of the patient—front and center. Above all else, our health care system has to work for the people it is designed to serve.”

Today's event will feature several Americans who are currently coping with inadequate health insurance, unaffordable health care costs, and medical debt:

- Catherine Howard, a 31-year-old breast cancer survivor from San Francisco, living with more than \$30,000 of medical debt because the health insurance she had purchased on the private market didn't cover large portions of her treatments, medications, and hospitalizations. Catherine has a good job now, but her medical debt is a huge financial burden and she struggles to make ends meet.
- Jon Conti, a 24-year-old husband and father of two, who is currently uninsured after being laid off from his job as a cabinet-maker in Pelham, Alabama. Jon is starting his own business and hoping to find insurance for his children through Alabama's Children's Health Insurance Program. His wife will buy insurance through her graduate school program but Jon will likely remain uninsured.
- Dave Penkava, a 64-year-old from Asheboro, North Carolina, who was forced to come out of retirement when his \$126 a month retiree health plan payment jumped to \$1,000 a month. He has taken another full time job in order to have affordable health insurance for himself and his wife. He'll have to work until he is 69 because his wife won't qualify for Medicare until that time.

"There's plenty of evidence that our health care system is broken. It's important to remember that there are real lives and families behind all the statistics and data that point to the need for reform," said James Guest, President of Consumers Union, the nonprofit publisher of *Consumer Reports*. "It's time to make sure that all Americans get affordable, high quality health coverage they can count on when they need it most."

Additional Report Findings

The report, *Front and Center: Ensuring That Health Reform Puts People First*, uses the Path reform model developed by the Commonwealth Fund Commission on a High Performance Health System to detail how such reform will affect different groups of Americans. Overall, researchers found that the inclusion of a national health insurance exchange giving patients the option of a public health insurance plan would control premium costs, eliminate wasteful administrative spending, and provide insurance stability to consumers regardless of their income, employment status, or pre-existing health conditions.

The authors point out that benefits could include 100,000 fewer preventable deaths, \$3 trillion in national health care savings between 2010-2020, and yearly health care savings of nearly \$2,300 for the average family by 2020. Specifically, if coupled with reform efforts to improve quality and increase efficiency, these reforms would benefit:

- **71 million Americans who have no health insurance at some time during the year or have health insurance that leaves them vulnerable to high medical bills**

would have affordable, reliable health insurance through health plans meeting standard benefit requirements modeled on plans available to members of Congress and federal employees and income-related premium assistance to ensure insurance affordability.

- **One-third of adults with insurance who change coverage frequently and often not by choice** would have the option to have stable insurance through the new national insurance exchange so when there is a life transition—new job, divorce, graduation—there isn't a potentially dangerous gap in health insurance coverage.
- **People at risk of falling into medical debt** would be protected by a standard benefit floor and would no longer be living with insurance that has arbitrary limits or doesn't cover essential care.
- **49 million Americans who work for small businesses** would have access to more affordable premiums and better benefits because risk would be pooled across employers of all sizes.
- **14 million Americans buying their own health insurance on the private market** would have better, more affordable health insurance available to them because all Americans would be required to have coverage, eliminating underwriting and achieving a 26 percent drop in administrative costs.

Public sentiment supports patient focused reform—surveys cited in the report found that half of Americans think the health care system needs fundamental changing and nearly one-third believe it needs to be completely rebuilt. Moving forward, the authors recommend working towards a patient-centered health care system that includes a national health insurance exchange with the choice of private plans and a public plan.

The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.

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