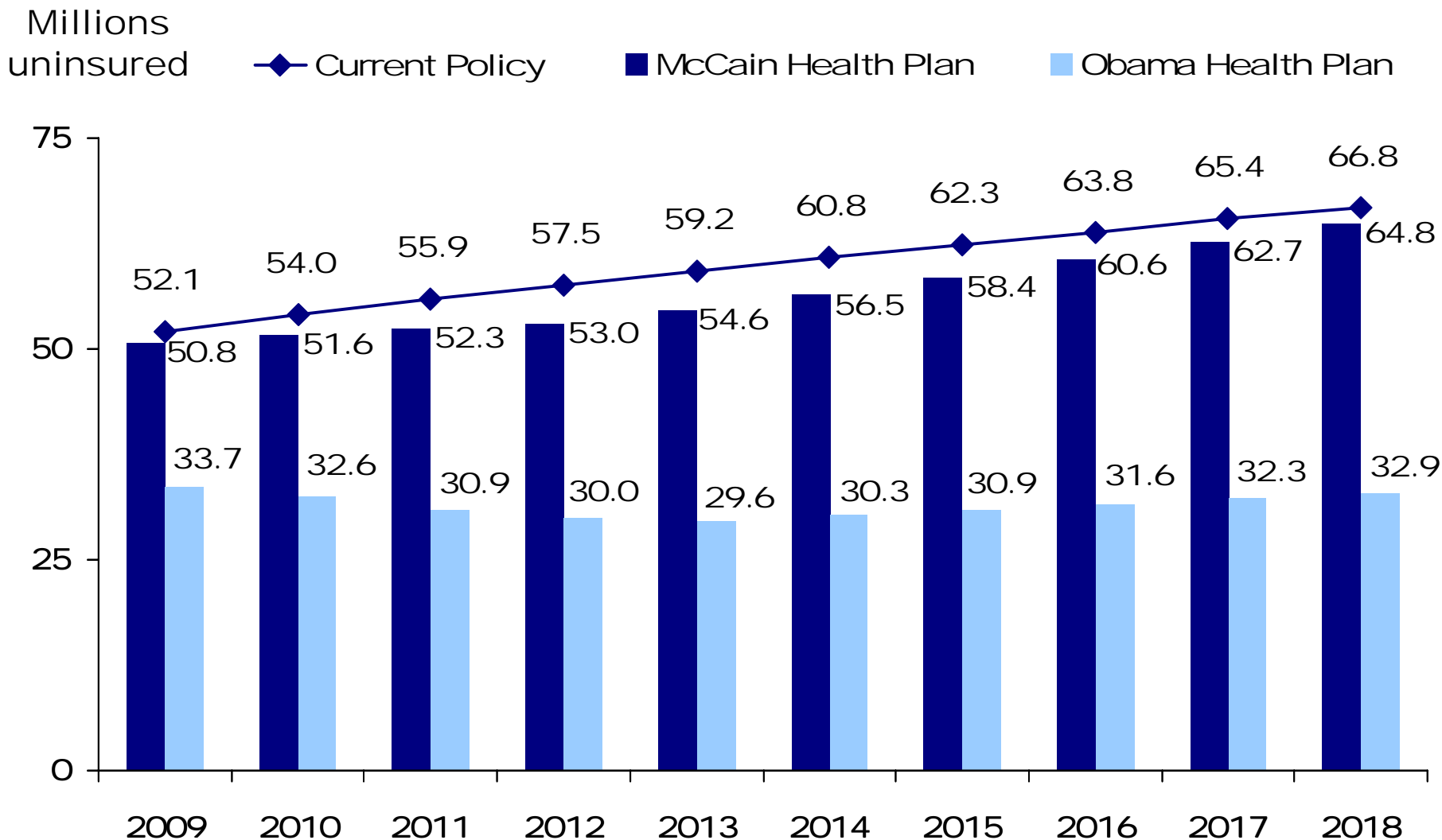


Figure ES-1. Key Differences Between the Presidential Candidates' Health Reform Plans

|   | McCain                        | Obama                  |
|---|-------------------------------|------------------------|
| Aims to Cover Everyone                                      | Not a Goal                    | Goal                   |
| Rules for Individual Insurance Market                       | Minimum State Rules           | Uniform National Rules |
| Employer Role in Providing Health Benefits                  | Reduce                        | Expand                 |
| Medicaid/SCHIP  | Reduce                        | Expand                 |
| Families' Exposure to Health Care Costs                     | More                          | Less                   |
| Requirements to Have Coverage                               | None                          | Children Only          |
| Leverage to Stimulate Improvement in Quality and Efficiency | No change from current system | More                   |
| Uninsured Covered After 10 Years*                           | 2 million                     | 34 million             |

\* Estimates of uninsured covered from L. Burman, S. Khitatrakun, G. Leiserson et al., *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans*, Urban Institute–Brookings Institution Tax Policy Center, Updated September 12, 2008.

Figure ES-2. Estimated Number of Uninsured People Under Current Policy, McCain Health Plan, and Obama Health Plan



Source: L. Burman, S. Khitatrakun, G. Leiserson et al., *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans*, Urban Institute–Brookings Institution Tax Policy Center, Updated September 12, 2008.

Figure ES-3. Tax Policy Center Estimates of Coverage and Costs of Candidates' Plans

|  | McCain*                        |                             | Obama*                         |                             |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
|  | Change in Uninsured (millions) | Federal Costs (\$ billions) | Change in Uninsured (millions) | Federal Costs (\$ billions) |
| 2009   | (1.3 m)                        | \$185 b                     | (18.4 m)                       | \$86 b                      |
| 2013   | (4.6 m)                        | \$141 b                     | (29.6 m)                       | \$160 b                     |
| 2018   | (2.0 m)                        | \$64 b                      | (33.9 m)                       | \$237 b                     |
| Total Cost (2009–2018)   | —                              | \$1,311 b                   | —                              | \$1,630 b                   |
| Total Uninsured <u>Not Covered</u> , 2018 (Out of an Estimated 66.8 m) | 64.8 m                         | —                           | 32.9 m                         | —                           |

\* Estimates based on assumptions made by the Tax Policy Center about key details of the proposals that have not yet been made clear.

Source: L. Burman, S. Khitatrakun, G. Leiserson et al., *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans*, Urban Institute–Brookings Institution Tax Policy Center, Updated September 12, 2008.

Figure ES-4. How Well Do the Strategies Meet Principles for Health Insurance Reform?

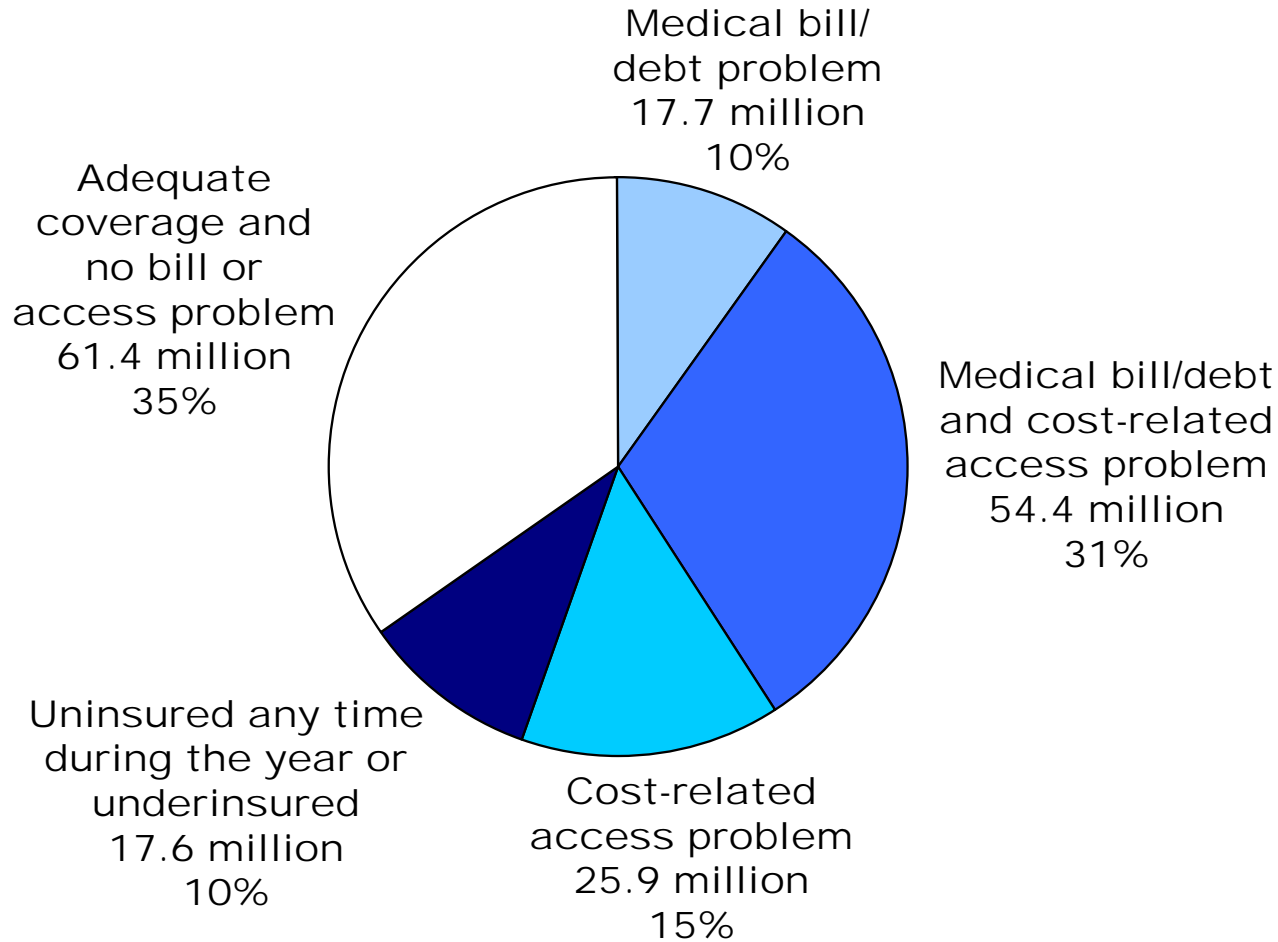
| Principles for Reform   | Tax Credits and Minimum State Rules for Individual Insurance Market | Mixed Private–Public Group Insurance with Premium Subsidies and Consumer Protections |
|---|---|--|
| Covers Everyone   | <b>0</b>  | <b>+</b>   |
| Standard Benefit Floor  | <b>–</b>  | <b>+</b>   |
| Premium/Deductible/<br>Out-of-Pocket Costs<br>Affordable Relative to Income | <b>–</b>  | <b>+</b>   |
| Easy, Seamless Enrollment   | <b>0</b>  | <b>+</b>   |
| Choice  | <b>+</b>  | <b>+</b>   |
| Pool Health Care Risks Broadly  | <b>–</b>  | <b>+</b>   |
| Minimize Dislocation, Ability to<br>Keep Current Coverage                   | <b>+</b>  | <b>++</b>  |
| Administratively Simple   | <b>–</b>  | <b>+</b>   |
| Improve Health Care Quality<br>and Efficiency                               | <b>0</b>  | <b>+</b>   |

0 = Minimal or no change from current system; — = Worse than current system;

+ = Better than current system; ++ = Much better than current system

Source: S. R. Collins, C. Schoen, K. Davis et al., *A Roadmap to Health Insurance for All: Principles for Reform* (New York: The Commonwealth Fund Commission on a High Performance Health System, Oct. 2007).

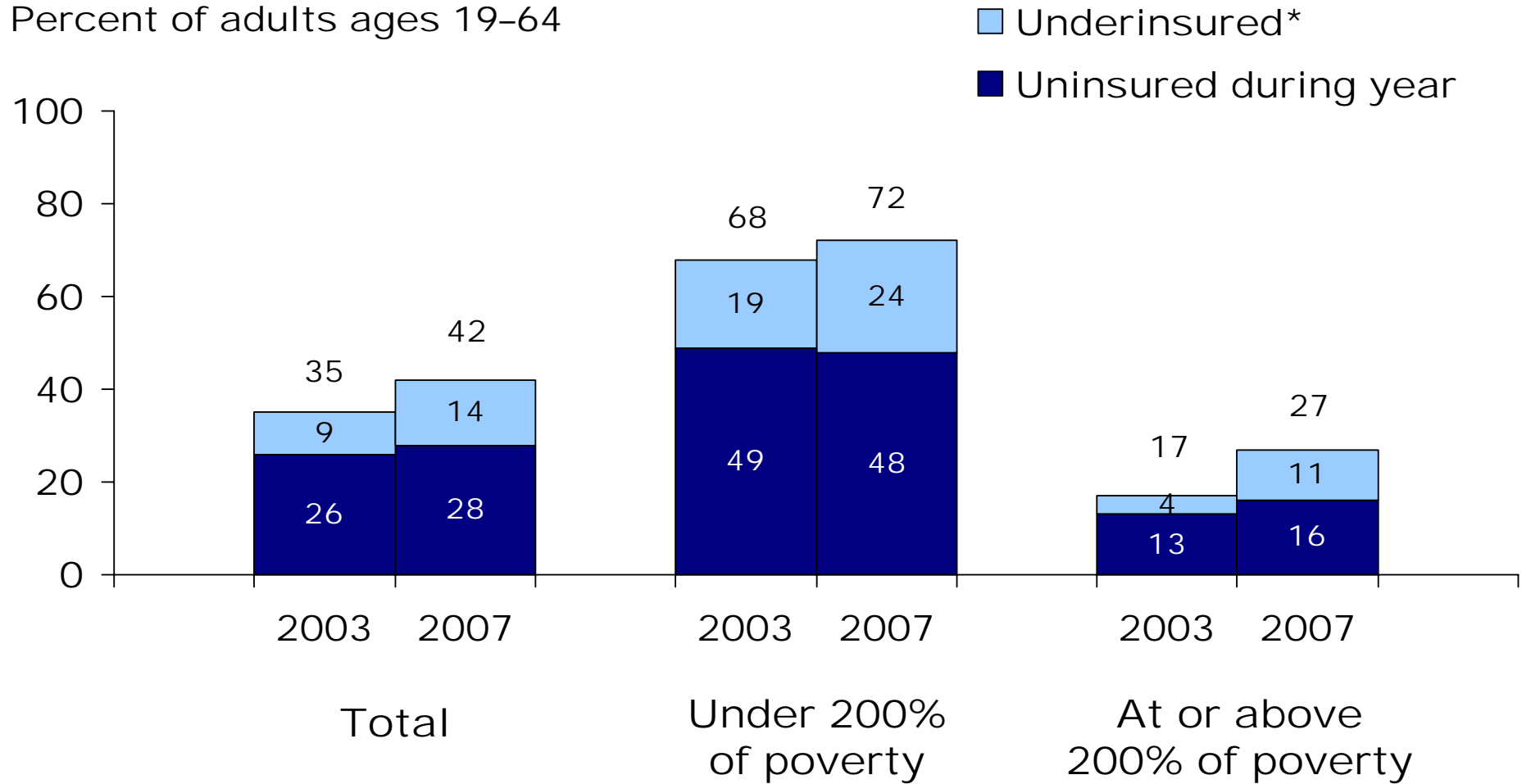
Figure 1. Estimated 116 Million Adults Were Uninsured, Underinsured, Reported a Medical Bill Problem, and/or Did Not Access Needed Health Care Because of Cost, 2007



177 million adults, ages 19-64

Note: Percentages may not sum to 100 percent because of rounding.  
Source: The Commonwealth Fund Biennial Health Insurance Survey (2007).

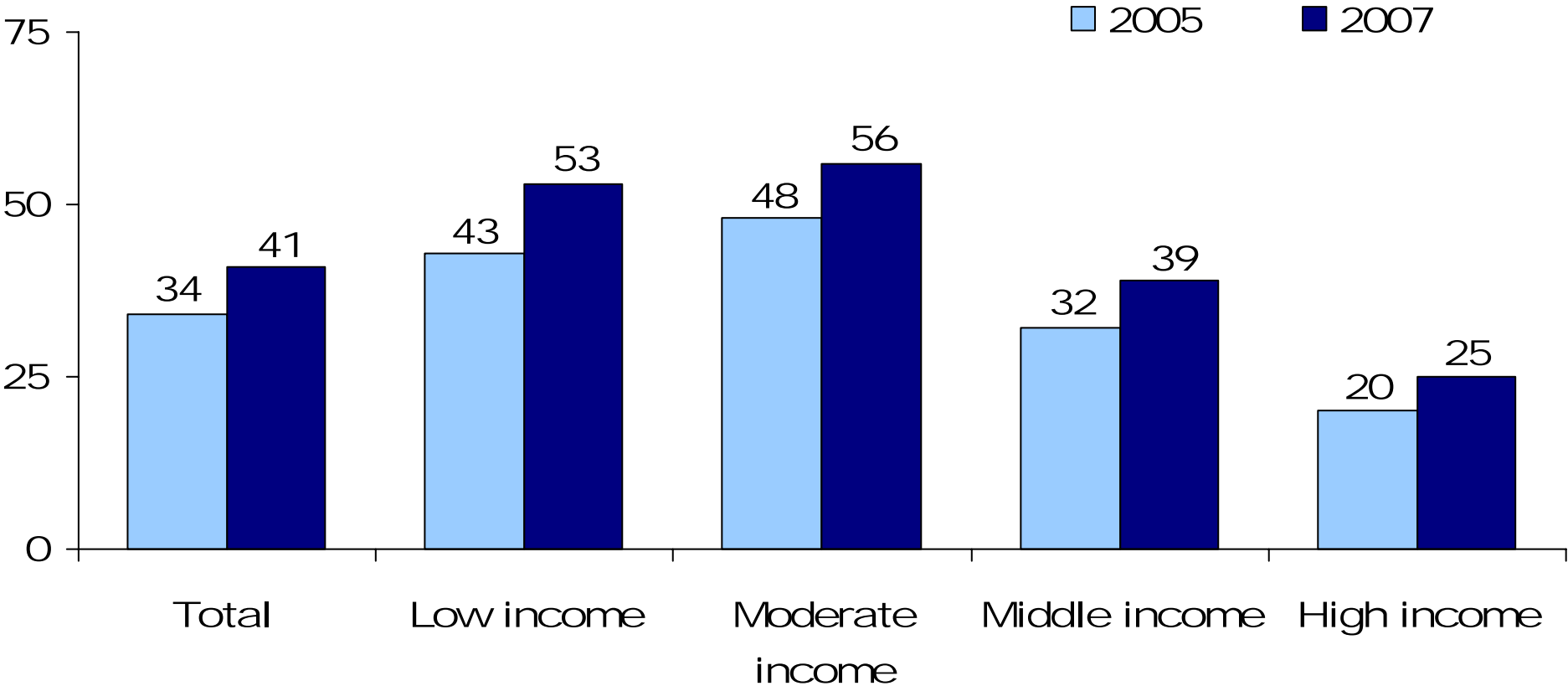
Figure 2. The Number of Underinsured Adults Under Age 65 Rose to 25 Million in 2007, Up from 16 Million in 2003



\* Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income. Source: C. Schoen, S. R. Collins, J. L. Kriss, and M. M. Doty, "How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007," *Health Affairs* Web Exclusive, June 10, 2008. Data: Commonwealth Fund Biennial Health Insurance Surveys (2003 and 2007).

Figure 3. Problems with Medical Bills or  
Accrued Medical Debt Increased, 2005–2007

Percent of adults ages 19–64 with medical bill problems  
or accrued medical debt

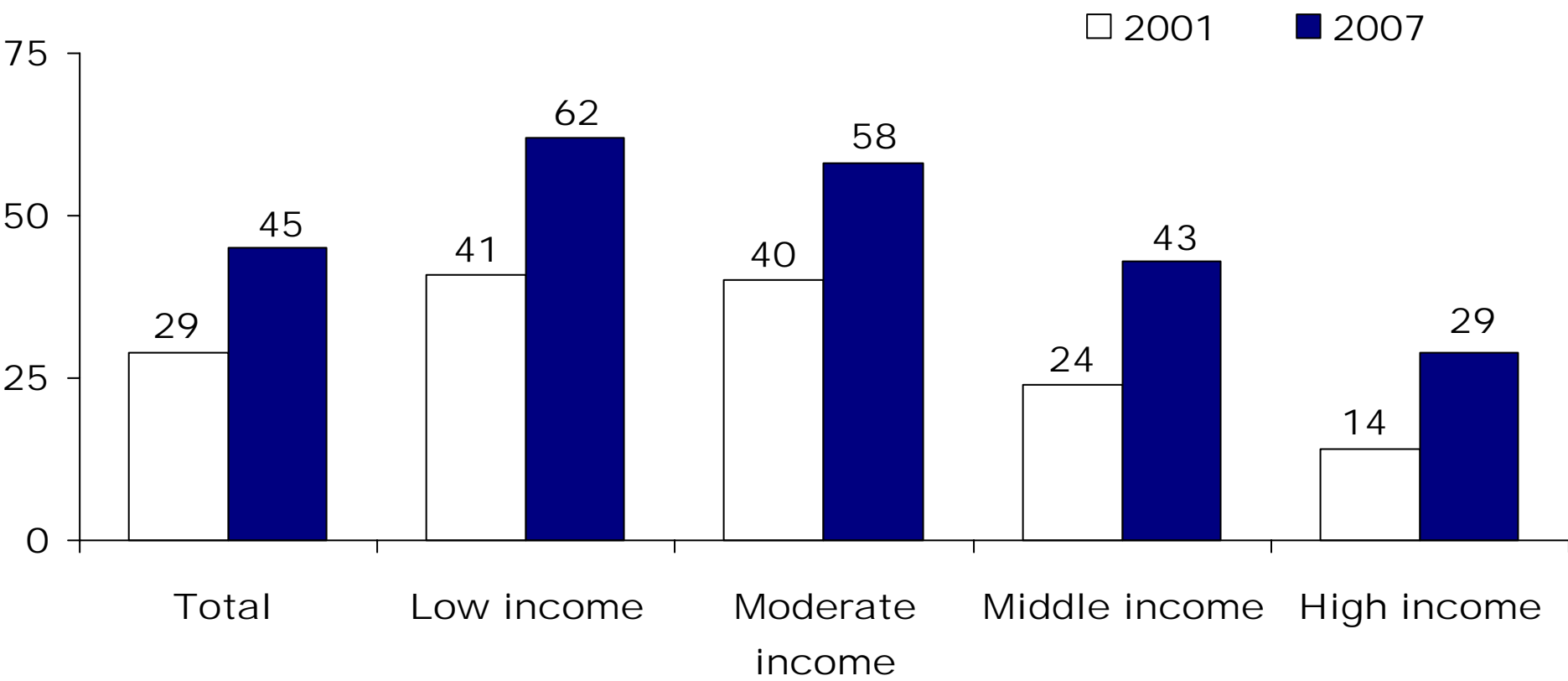


Note: Income refers to annual income. In 2005 and 2007, low income is <\$20,000, moderate income is \$20,000–\$39,999, middle income is \$40,000–\$59,999, and high income is \$60,000 or more.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2005 and 2007).

# Figure 4. Cost-Related Problems Getting Needed Care Have Increased Across All Income Groups, 2001–2007

Percent of adults ages 19–64 who had any of four access problems\* in past year because of cost



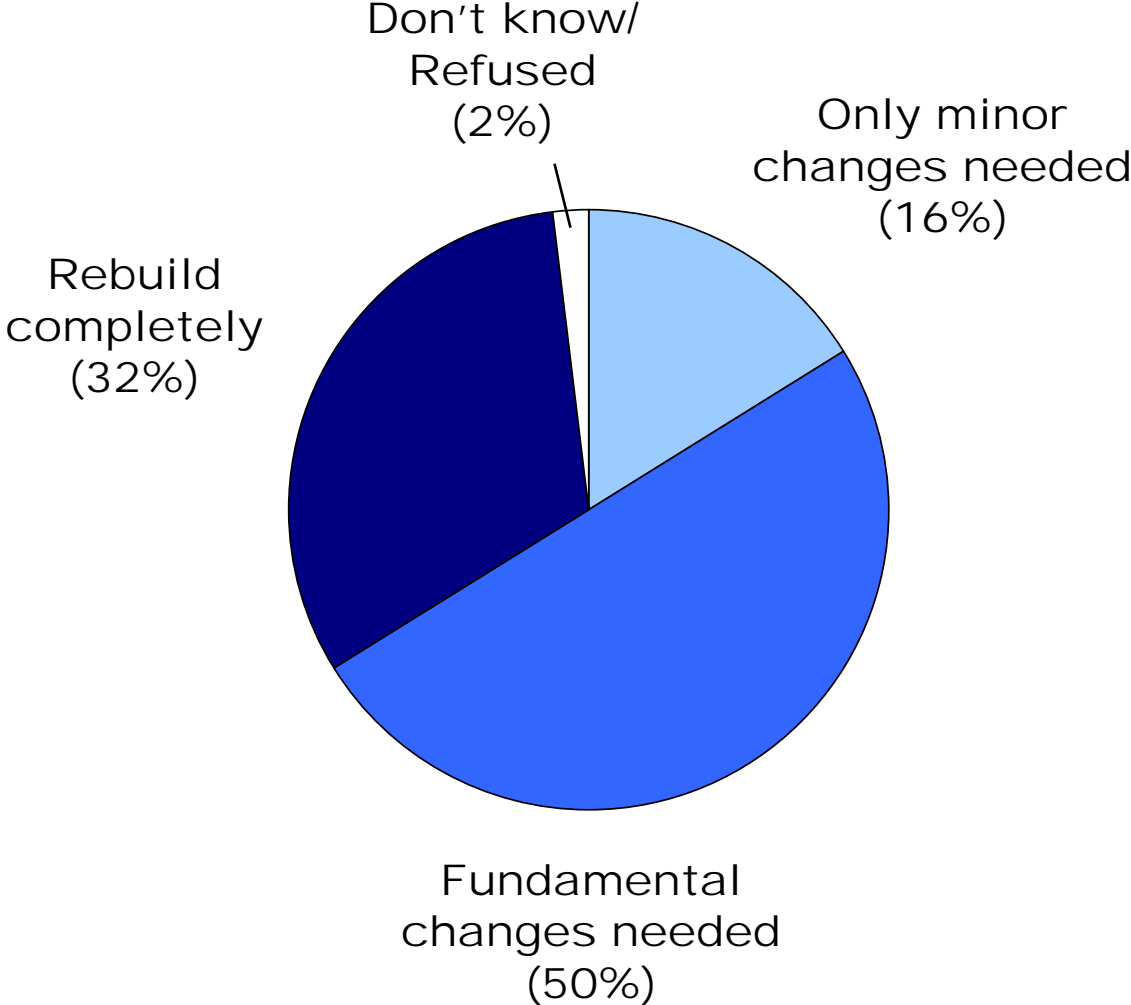
\* Did not fill a prescription; did not see a specialist when needed; skipped recommended medical test, treatment, or follow-up; had a medical problem but did not visit doctor or clinic.

Note: Income refers to annual income. In 2001 and 2003 low income is <\$20,000, moderate income is \$20,000–\$34,999, middle income is \$35,000–\$59,999, and high income is \$60,000 or more. In 2005 and 2007, low income is <\$20,000, moderate income is \$20,000–\$39,999, middle income is \$40,000–\$59,999, and high income is \$60,000 or more.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2003, 2005, and 2007).



Figure 5. Which of the Following Comes Closest to Expressing Your Overall View of the Health Care System in this Country?



Source: Commonwealth Fund Survey of Public Views of the U.S. Health Care System, 2008.

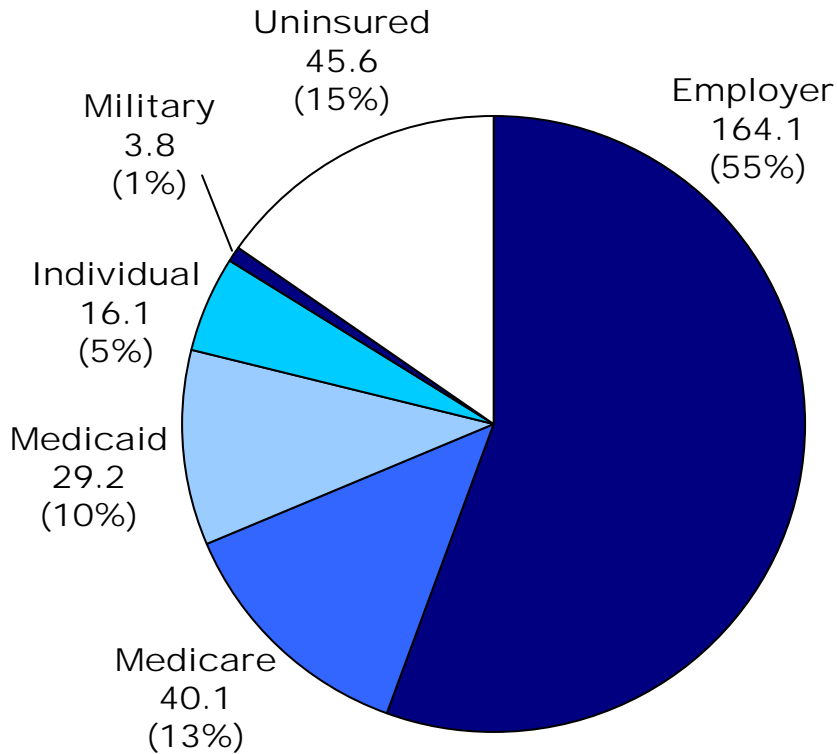
Figure 6. Features of Candidates' Approaches to Health Care Reform

|   | McCain   | Obama   |
|---|--|---|
| Aims to Cover Everyone  | No   | Yes   |
| Individual Requirement to Have Health Insurance               | No   | Children only   |
| Employer Contribution   | No   | Offer or contribute % of payroll, small businesses exempt |
| Health Insurance Exchange                                     | No   | Yes   |
| Medicaid/SCHIP Expansion                                      | No   | Yes   |
| Premium Subsidies and Tax Credits                             | Tax credit \$2,500 for individuals, \$5,000 for families | Sliding-scale premium subsidies based on income           |
| Standard Benefits Package                                     | No   | Yes   |
| Consumer Protections Against Underwriting on Basis of Health  | High-Risk Pools  | Guaranteed Issue, Community Rating                        |
| Tax Credits for Small Businesses                              | No   | Yes   |
| Federal Reinsurance for Businesses for High Health Care Costs | No   | Yes   |

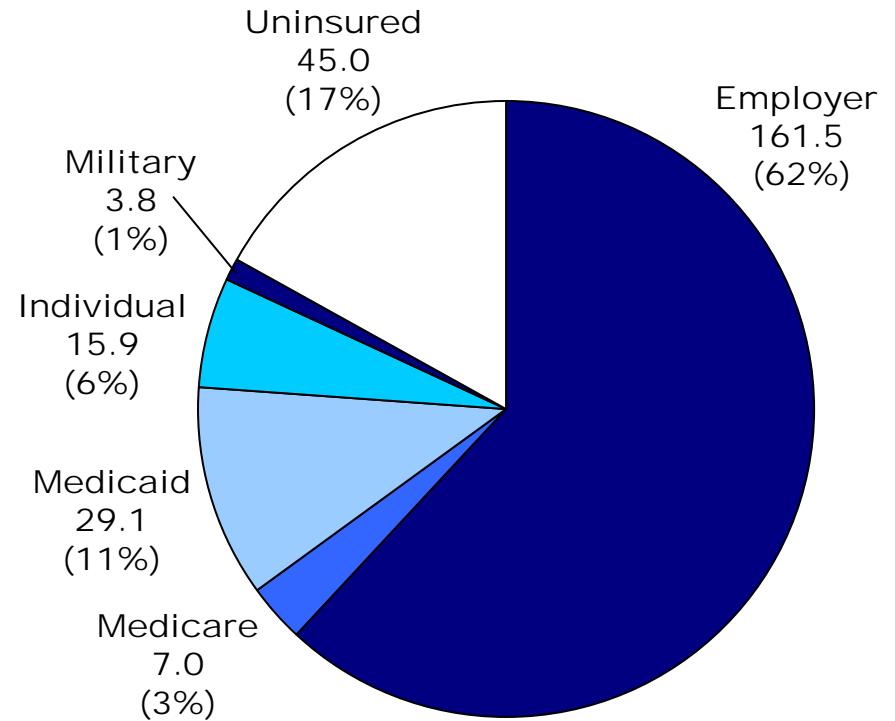
Source: Authors' analysis, September 2008.

# Figure 7. Sources of Health Insurance Coverage in the United States, 2007

Numbers in millions, 2007



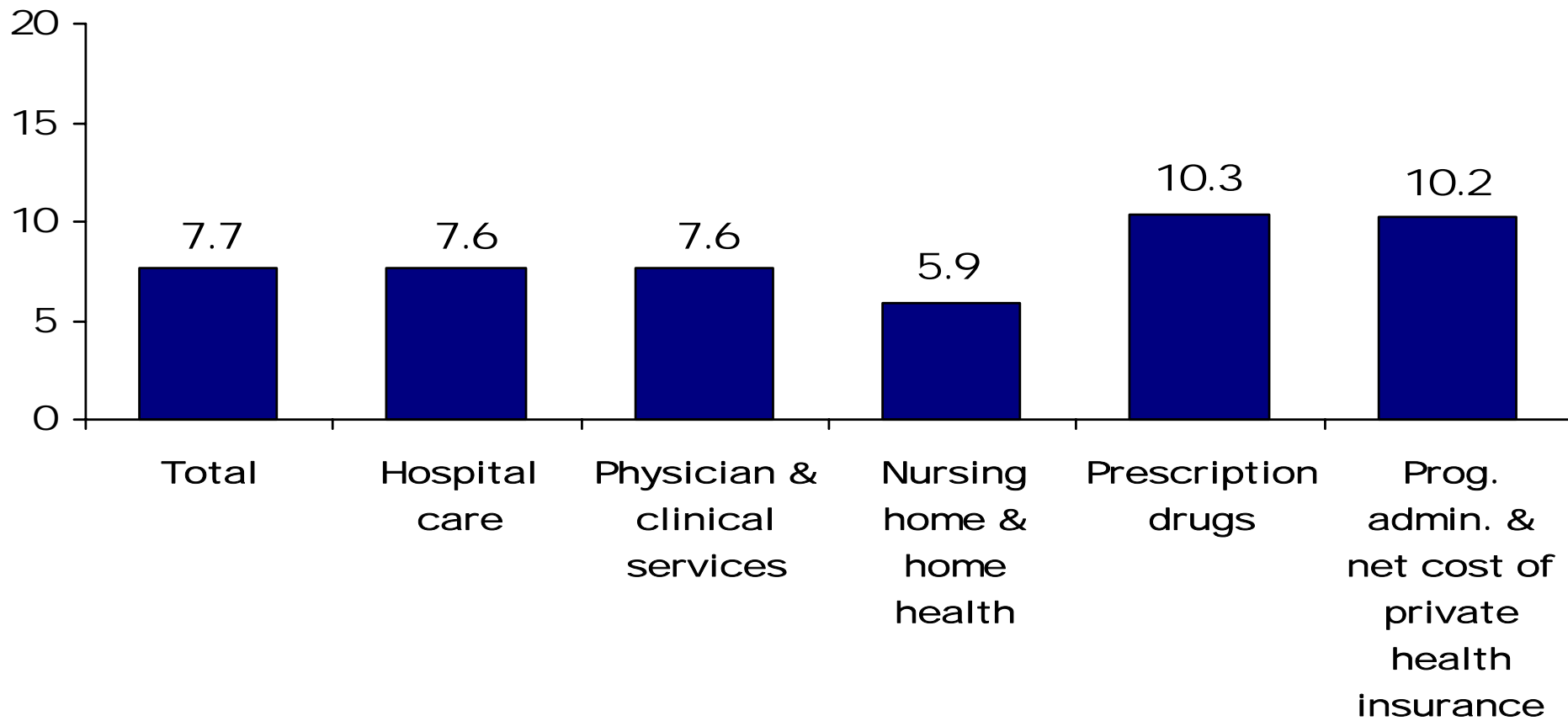
Total population =  
299.0 million



Under-65 population =  
262.2 million

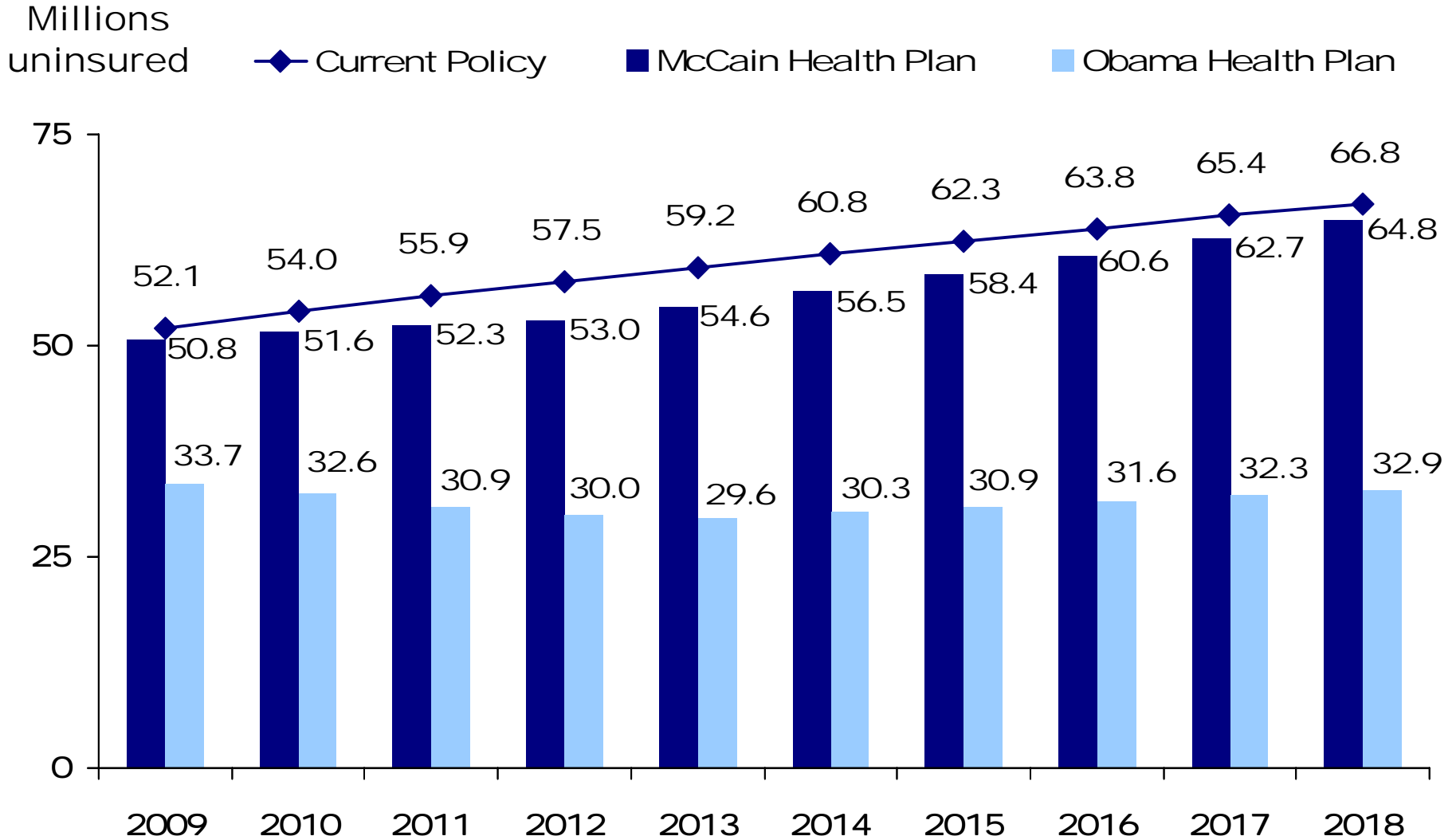
Figure 8. Health Expenditure Growth 2000–2006  
for Selected Categories of Expenditures

Average annual percent growth in health expenditures, 2000–2006



Source: A. Catlin et al., “National Health Spending in 2006: A Year of Change for Prescription Drugs,” *Health Affairs*, Jan./Feb. 2008 27(1):14–29.

Figure 9. Estimated Number of Uninsured People Under Current Policy, McCain Health Plan, and Obama Health Plan



Source: L. Burman, S. Khitatrakun, G. Leiserson et al., *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans*, Urban Institute–Brookings Institution Tax Policy Center, Updated September 12, 2008.

Figure 10. Where Candidates Stand on Health Care Reform Features

|   | McCain | Obama         |
|---|--------|---------------|
| Candidates Agree                                  |        |               |
| Expand coverage                                   | Yes    | Yes           |
| Health IT   | Yes    | Yes           |
| Transparency                                      | Yes    | Yes           |
| Malpractice reform                                | Yes    | Yes           |
| Prevention  | Yes    | Yes           |
| Pay-for-performance                               | Yes    | Yes           |
| Comparative effectiveness/<br>quality measurement | Yes    | Yes           |
| Candidates Differ                                 |        |               |
| Universal coverage                                | No     | Yes           |
| Requirements to have coverage                     | No     | Children only |
| Employer contribution                             | No     | Yes           |
| Changes to employer benefit<br>tax exemption      | Yes    | No            |
| Regulation of insurance markets                   | No     | Yes           |
| Financing source                                  | No     | Yes           |

Source: Authors' analysis, September 2008.

Figure 11. Tax Policy Center Estimates of Coverage and Costs of Candidates' Plans

|  | McCain*                        |                             | Obama*                         |                             |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
|  | Change in Uninsured (millions) | Federal Costs (\$ billions) | Change in Uninsured (millions) | Federal Costs (\$ billions) |
| 2009   | (1.3 m)                        | \$185 b                     | (18.4 m)                       | \$86 b                      |
| 2013   | (4.6 m)                        | \$141 b                     | (29.6 m)                       | \$160 b                     |
| 2018   | (2.0 m)                        | \$64 b                      | (33.9 m)                       | \$237 b                     |
| Total Cost (2009–2018)   | —                              | \$1,311 b                   | —                              | \$1,630 b                   |
| Total Uninsured <u>Not Covered</u> , 2018 (Out of an Estimated 66.8 m) | 64.8 m                         | —                           | 32.9 m                         | —                           |

\* Estimates based on assumptions made by the Tax Policy Center about key details of the proposals that have not yet been made clear.

Source: L. Burman, S. Khitatrakun, G. Leiserson et al., *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans*, Urban Institute–Brookings Institution Tax Policy Center, Updated September 12, 2008.

Figure 12. Policy Options and Distribution of 10-Year Impact on Spending Across Payer Groups (in billions)

|   | Total NHE* | Federal Government | State/Local Government | Private Payer | Households |
|---|------------|--------------------|------------------------|---------------|------------|
| <b>Producing and Using Better Information</b>                       |            |                    |                        |               |            |
| 1. Promoting Health Information Technology                          | -\$88      | -\$41              | -\$19                  | \$0           | -\$27      |
| 2. Center for Medical Effectiveness and Health Care Decision-Making | -\$368     | -\$114             | -\$49                  | -\$98         | -\$107     |
| 3. Patient Shared Decision-Making                                   | -\$9       | -\$8               | \$0                    | \$0           | -\$1       |
| <b>Promoting Health and Disease Prevention</b>                      |            |                    |                        |               |            |
| 4. Public Health: Reducing Tobacco Use                              | -\$191     | -\$68              | -\$35                  | -\$39         | -\$49      |
| 5. Public Health: Reducing Obesity                                  | -\$283     | -\$101             | -\$52                  | -\$57         | -\$73      |
| 6. Positive Incentives for Health                                   | -\$19      | \$2                | -\$12                  | -\$4          | -\$5       |
| <b>Aligning Incentives with Quality and Efficiency</b>              |            |                    |                        |               |            |
| 7. Hospital Pay-for-Performance                                     | -\$34      | -\$27              | -\$1                   | -\$2          | -\$4       |
| 8. Episode-of-Care Payment  | -\$229     | -\$377             | \$18                   | \$90          | \$40       |
| 9. Strengthening Primary Care and Care Coordination                 | -\$194     | -\$157             | -\$4                   | -\$9          | -\$23      |
| 10. Limit Federal Tax Exemptions for Premium Contributions          | -\$131     | -\$186             | -\$19                  | -\$55         | \$130      |
| <b>Correcting Price Signals in the Health Market</b>                |            |                    |                        |               |            |
| 11. Reset Benchmark Rates for Medicare Advantage Plans              | -\$50      | -\$124             | \$0                    | \$0           | \$74       |
| 12. Competitive Bidding   | -\$104     | -\$283             | \$0                    | \$0           | \$178      |
| 13. Negotiated Prescription Drug Prices                             | -\$43      | -\$72              | \$4                    | \$17          | \$8        |
| 14. All-Payer Provider Payment Methods and Rates                    | -\$122     | \$0                | \$0                    | -\$105        | -\$18      |
| 15. Limit Payment Updates in High-Cost Areas                        | -\$158     | -\$260             | \$13                   | \$62          | \$27       |

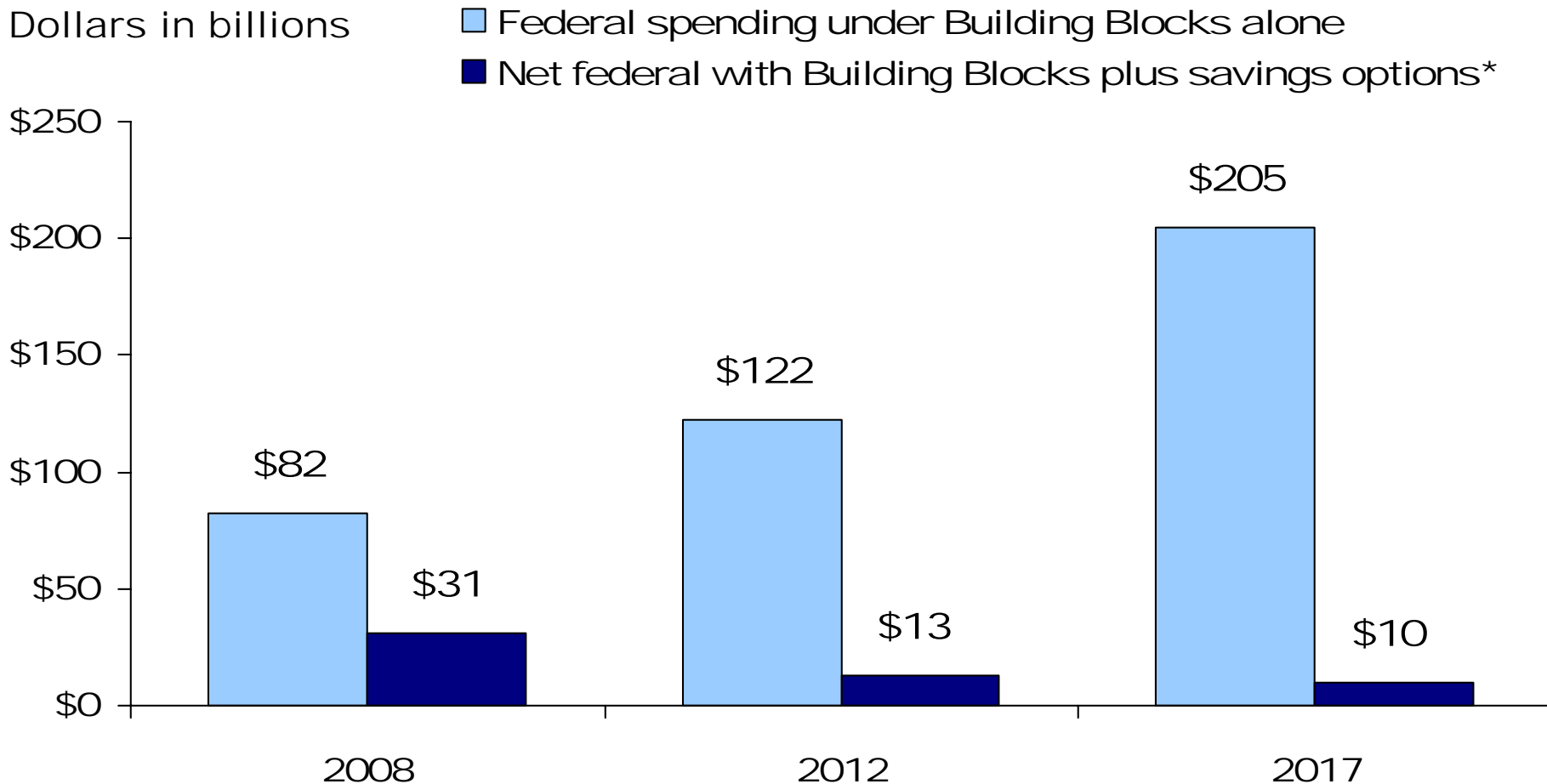
Note: A negative number indicates spending decreases compared with projected expenditures (i.e., savings); a positive indicates spending increases.

\* In some cases, because of rounding, the sum of the payer group impact does not add up to the national health expenditures total.

Source: C. Schoen, S. Guterman, A. Shih et al., *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending* (New York: The Commonwealth Fund, December 2007).



# Figure 13. Savings Can Offset Federal Costs of Insurance for All: Federal Spending Under Two Scenarios



\* Selected options include improved information, payment reform, and public health.

Data: Lewin Group estimates of combination options compared with projected federal spending under current policy.

Source: Schoen et al., *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending* (New York: The Commonwealth Fund, December 2007).

Figure 14. Key Differences Between the Presidential Candidates' Health Reform Plans

|   | McCain                        | Obama                  |
|---|-------------------------------|------------------------|
| Aims to Cover Everyone                                      | Not a Goal                    | Goal                   |
| Rules for Individual Insurance Market                       | Minimum State Rules           | Uniform National Rules |
| Employer Role in Providing Health Benefits                  | Reduce                        | Expand                 |
| Medicaid/SCHIP  | Reduce                        | Expand                 |
| Families' Exposure to Health Care Costs                     | More                          | Less                   |
| Requirements to Have Coverage                               | None                          | Children Only          |
| Leverage to Stimulate Improvement in Quality and Efficiency | No change from current system | More                   |
| Uninsured Covered After 10 Years*                           | 2 million                     | 34 million             |

\* Estimates of uninsured covered from L. Burman, S. Khitatrakun, G. Leiserson et al., *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans*, Urban Institute–Brookings Institution Tax Policy Center, Updated September 12, 2008.

Figure 15. How Well Do the Strategies Meet Principles for Health Insurance Reform?

| Principles for Reform   | Tax Credits and Minimum State Rules for Individual Insurance Market | Mixed Private–Public Group Insurance with Premium Subsidies and Consumer Protections |
|---|---|--|
| Covers Everyone   | <b>0</b>  | <b>+</b>   |
| Standard Benefit Floor  | <b>–</b>  | <b>+</b>   |
| Premium/Deductible/<br>Out-of-Pocket Costs<br>Affordable Relative to Income | <b>–</b>  | <b>+</b>   |
| Easy, Seamless Enrollment   | <b>0</b>  | <b>+</b>   |
| Choice  | <b>+</b>  | <b>+</b>   |
| Pool Health Care Risks Broadly  | <b>–</b>  | <b>+</b>   |
| Minimize Dislocation, Ability to<br>Keep Current Coverage                   | <b>+</b>  | <b>++</b>  |
| Administratively Simple   | <b>–</b>  | <b>+</b>   |
| Improve Health Care Quality<br>and Efficiency                               | <b>0</b>  | <b>+</b>   |

0 = Minimal or no change from current system; — = Worse than current system;

+ = Better than current system; ++ = Much better than current system

Source: S. R. Collins, C. Schoen, K. Davis et al., *A Roadmap to Health Insurance for All: Principles for Reform* (New York: The Commonwealth Fund Commission on a High Performance Health System, Oct. 2007).