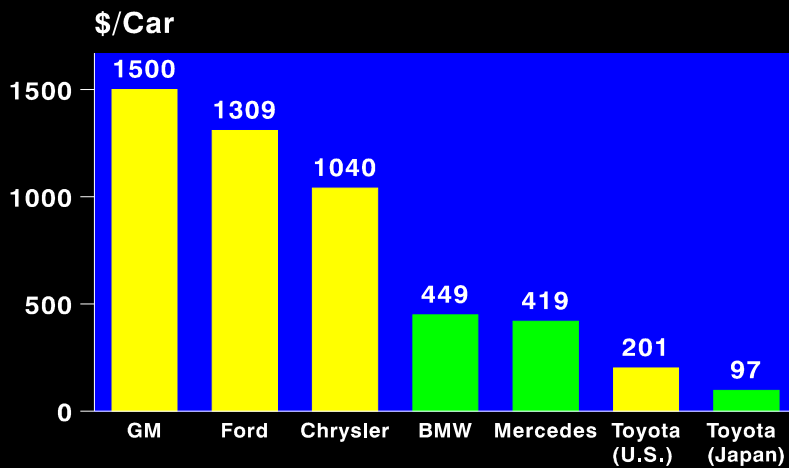


Globalization



Healthcare Costs Per Car

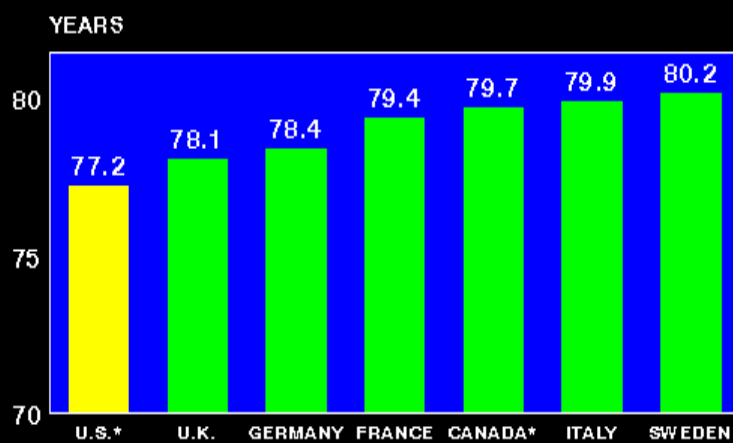


Source: Modern Healthcare 10/24/05:14

Covers 38% of employees



LIFE EXPECTANCY, 2003



SOURCE: OECD, 2005

* Data are for 2002

18,314 Adult Deaths Annually Due to Uninsurance

Age Group	Deaths
25-34	1,930
35-44	3,431
45-54	4,734
55-64	8,219
Total	18,314

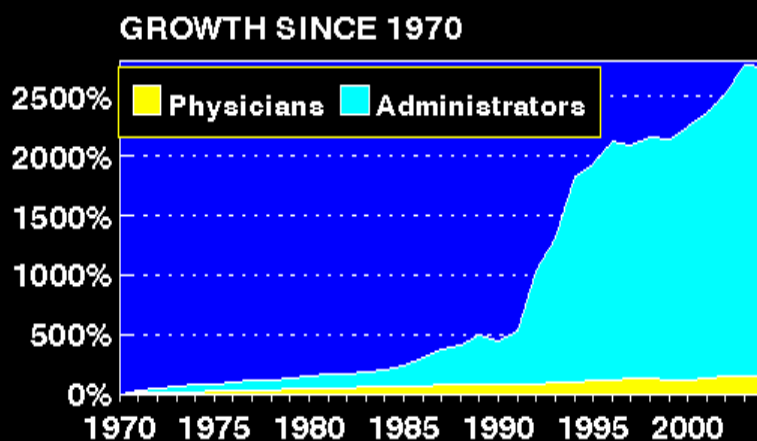
Source: Care Without Coverage. Institute of Medicine, 2002



Under-insurance

- 76% of persons bankrupted by medical illness had health insurance at the onset of the illness that bankrupted them

GROWTH OF PHYSICIANS & ADMINISTRATORS 1970-2004

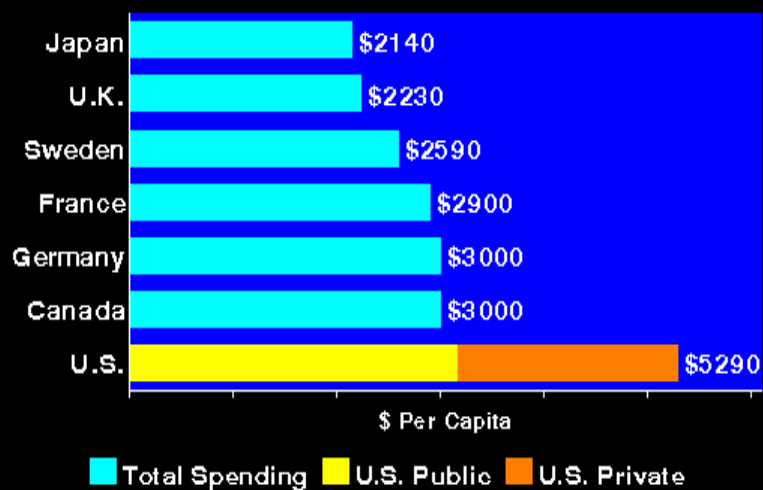


Source: Bureau of Labor Statistics; NCHS; and analysis of CPS

Not a Free Market

- The U.S. health system is a publicly-funded, for - profit system. Market reforms in Europe would imitate the U.S. health system.

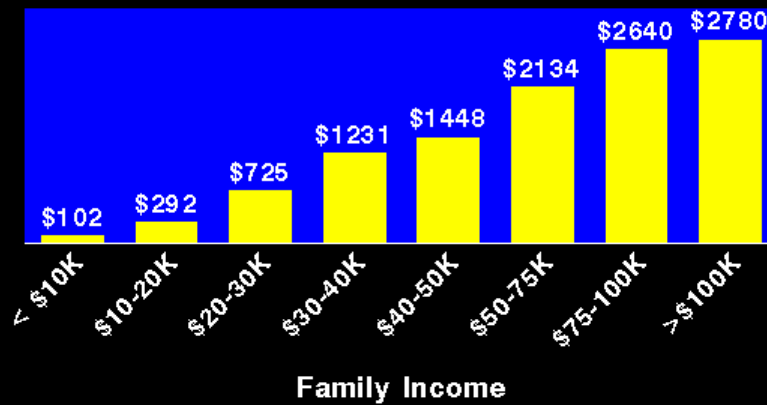
U.S. PUBLIC Spending Per Capita for Health is Greater than TOTAL Spending in Other Nations



Note: Public includes benefit costs for govt. employees & tax subsidy for private insurance

Source: OECD 2005; Health Aff 2002; 21(4):88 - Data are for 2002

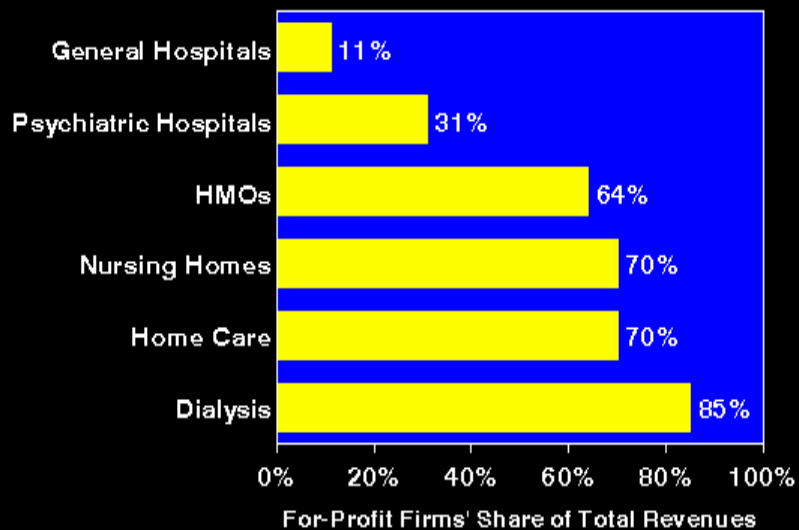
Federal Tax Subsidies for Private Health Spending, 2004 (Tax Subsidy Per Family, By Income)



Note: Total federal + state tax subsidy = \$209.9 billion

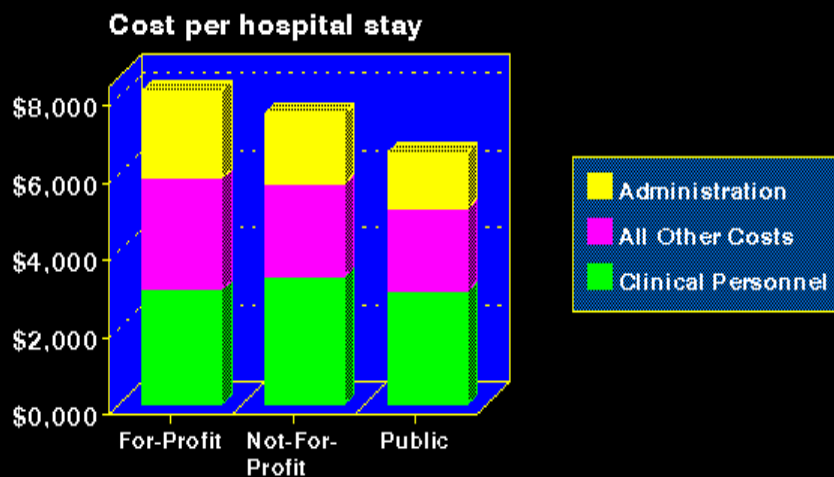
Source: Health Affairs Web Exclusive W4:109

Extent of For-Profit Ownership, 1998



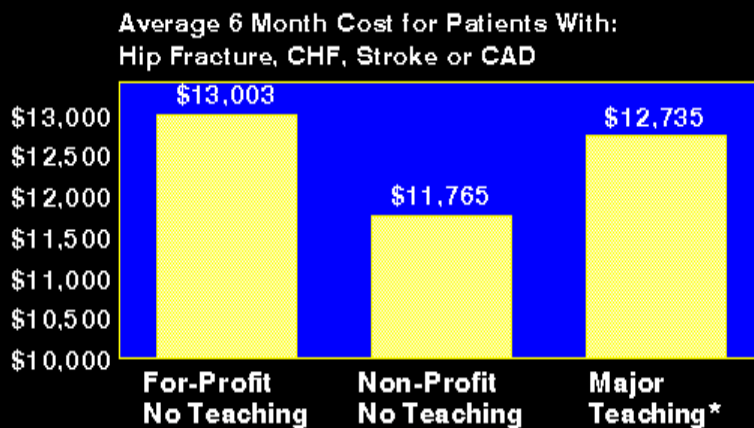
Source: Commerce Department - www.oensus.gov/press-release/www.1999/ob99-176.html and Interstudy

Why Are For-Profit Hospitals Costlier? Higher Administrative and Non-Personnel Costs



Source: Woolhandler & Himmelstein - NEJM 3/13/97 - Analysis of data from 5201 acute care hospitals
Note: Costs are for FY 1994, adjusted for hospital case mix and local wages

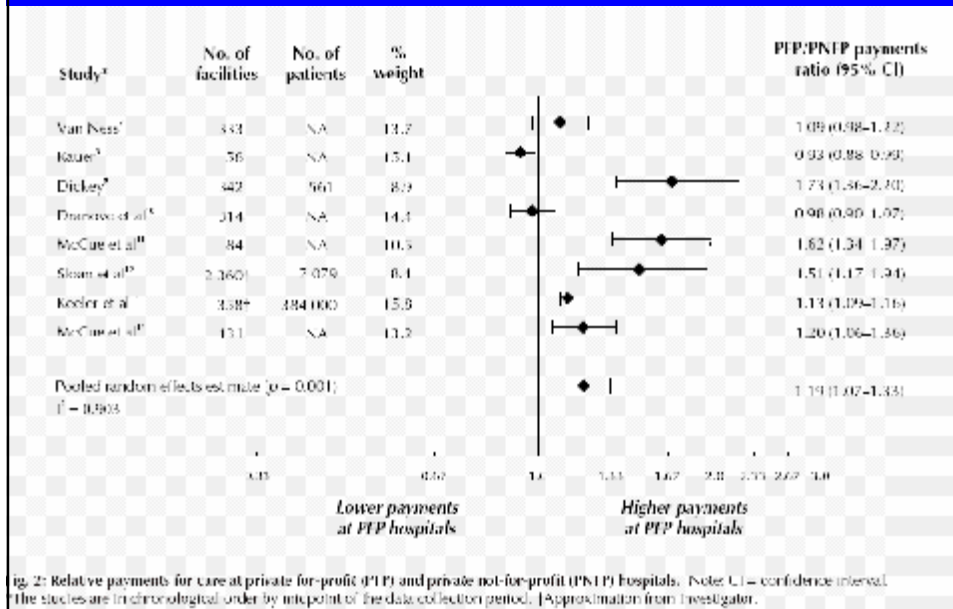
Patients At For-Profit Hospitals Cost Medicare More



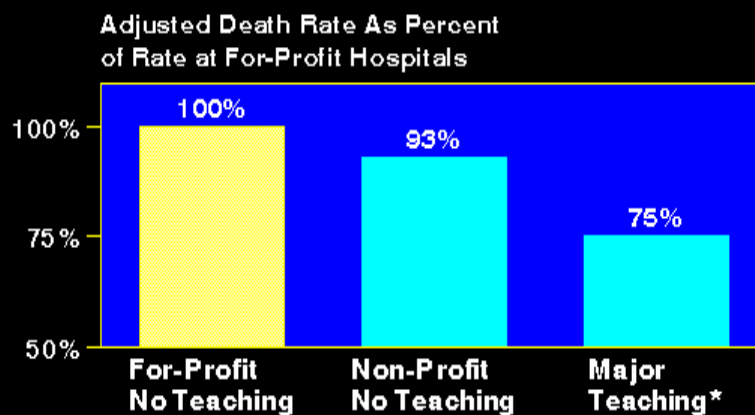
* 85.5% Non-Profit, 14.3% Government, 0.2% For-Profit
Source: NEJM 1999; 340:286

For-Profit Hospitals Cost 19% More

Source: CMAJ 2004;170:1817

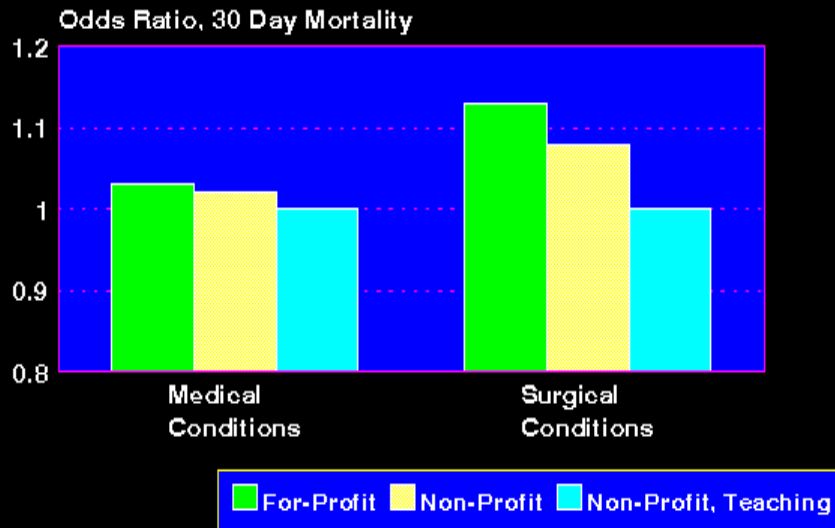


Death Rates are Higher at For-Profit Hospitals



* 85.5% Non-Profit, 14.3% Government, 0.2% For-Profit
Source: NEJM 1999; 340:293

For-Profit Hospitals: Higher Mortality



Source: Medical Care 2000; 38:231

Note: Study of 18.9 million Medicare patients, adjusted for: year, demographics, comorbidities

For-Profit Hospitals' Death Rates are 2% Higher

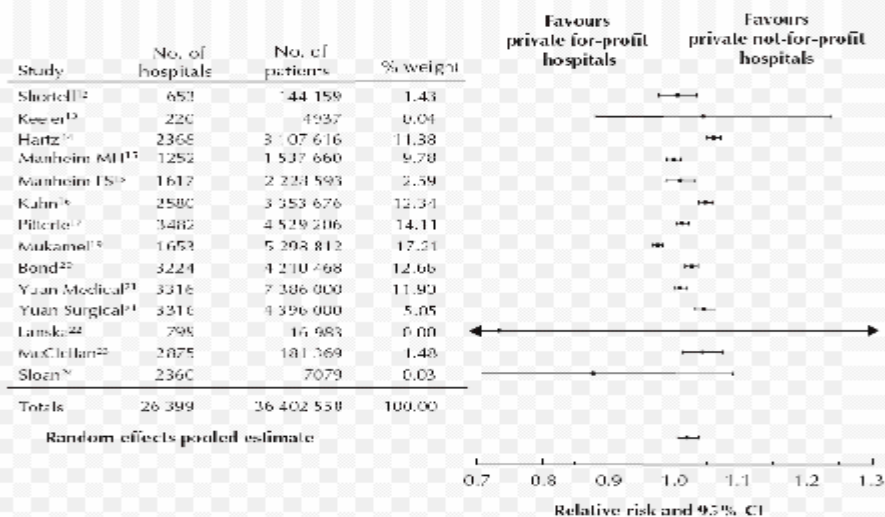
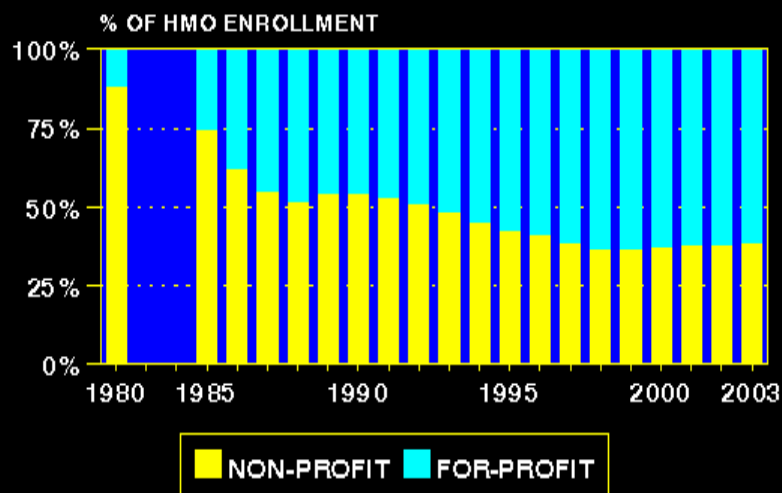


Fig. 2: Relative risk of hospital mortality for adult patients in private for-profit hospitals relative to private not-for-profit hospitals. CI = confidence intervals.

Public Funding for HMOs

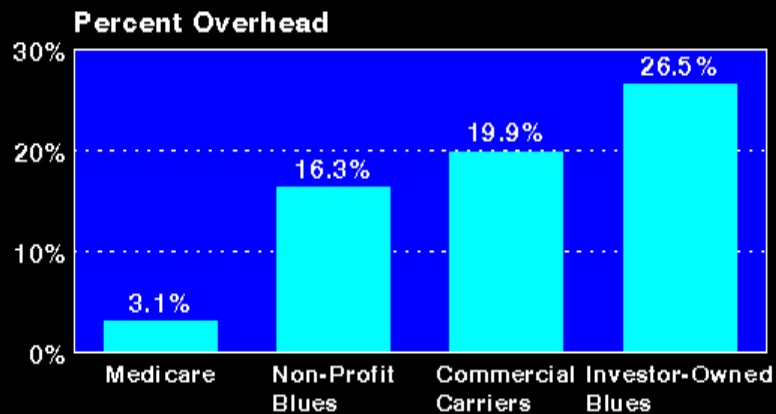
- The U.S. government's Medicare program (which insures all elderly Americans) currently pays private HMO's 111% of the cost of caring for patients under traditional Medicare.

For-Profit HMOs' Increasing Dominance, 1980-2003



SOURCE: Interstudy

Private Insurers' High Overhead Investor-Owned Plans are Worst



Source: Schramm, Blue Cross Conversion, Abell Foundation, and CMS

U.S. HEALTHCARE: Physician Gag Clause

"Physician shall agree not to take any action or make any communication which undermines or could undermine the confidence of enrollees, potential enrollees, their employers, their unions, or the public in U.S. Healthcare or the quality of U.S. Healthcare coverage."

"Each physician must be supportive of the philosophy and concept of U.S. Healthcare."

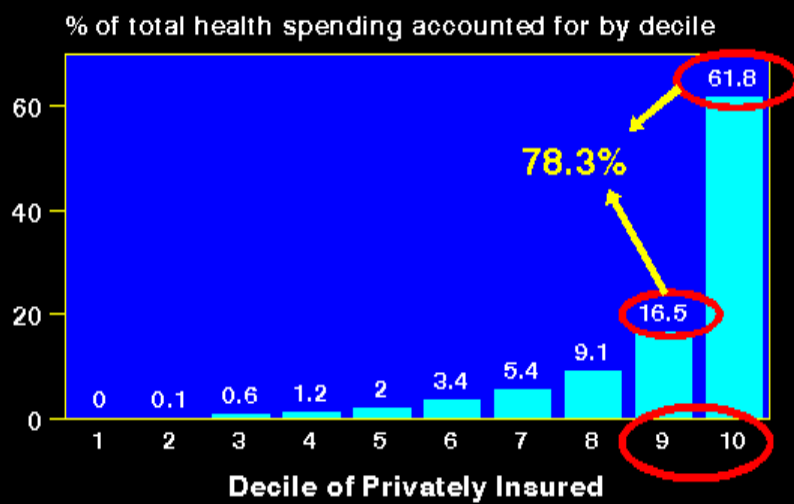
"Physician shall keep the Proprietary Information [payment rates, utilization review procedures etc.] and This Agreement strictly confidential."

Source: U.S. Healthcare 1994 Physician Contract



A Few Sick People Account for Most Health \$s

Percent of total spending for each decile among privately insured Americans, 2001



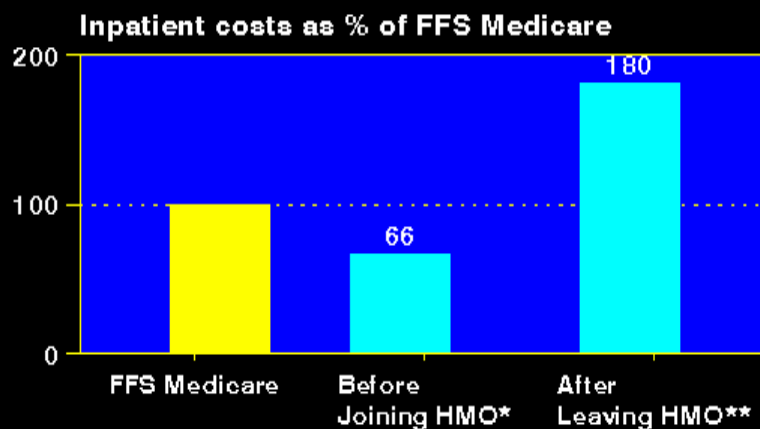
Source: MEPS Data, from Thorpe and Reinhart

Doctors Urged to Shun the Sick

- “We can no longer tolerate patients with complex and expensive to treat illnesses being encouraged to transfer to our group”

• Source: memo from head of California university hospital

Medicare HMOs: The Healthy Go In, The Sick Go Out



* Data are for 12 month period before joining HMO

** Data are for 3 month period after leaving HMO

Source: N Engl J Med 1997; 337:169



For-Profit Dialysis: More Deaths, Fewer Transplants

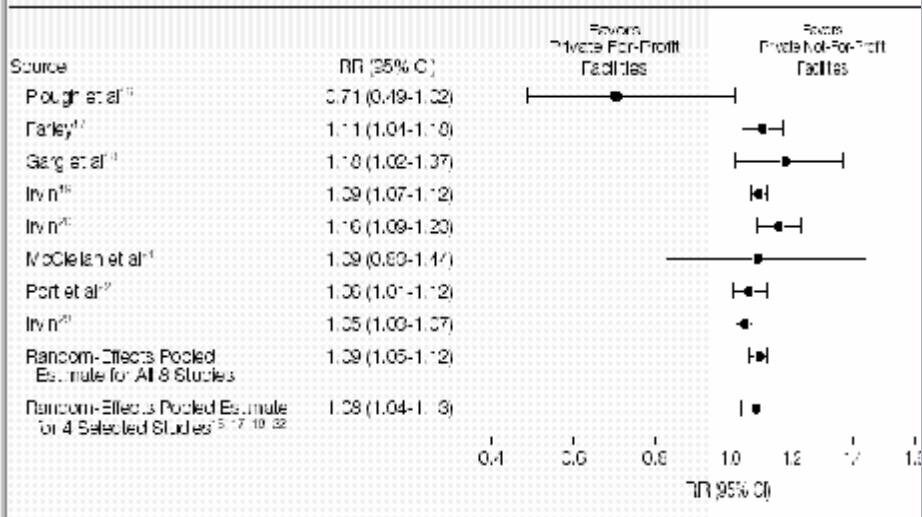


Source: NEJM 1999; 341:1653

Note: Figures are adjusted for demographic factors and co-morbidities

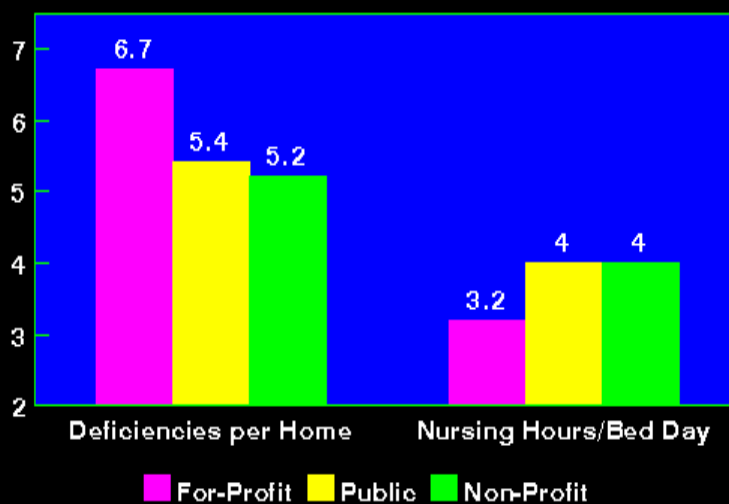
For-Profit Dialysis Clinics' Death Rates are 9% Higher

Figure 2. Relative Risk (RR) of Mortality in Hemodialysis Patients



Source: JAMA 2002;288:2449

For-Profit Nursing Homes: More Quality Deficiencies, Less Nursing Care



Source: Harrington, Woolhandler, Mullan, Carrillo & Himmelstein - Unpublished analysis of 1997 OSCAR data on 13,941 nursing homes

Investor-Owned Care Summary of Evidence

- **Hospitals:** Costs 3%-11% higher, fewer nurses, higher overhead, death rates 6%-7% higher, fraud
- **HMOs:** Higher overhead, worse quality, collaboration with tobacco industry
- **Dialysis:** Death rates 20% higher, less use of transplants & peritoneal dialysis, fraud
- **Nursing Homes:** More citations for poor quality, fraud
- **Rehab Hospitals:** Costs 19% higher



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