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Middle-Class Promise Gap: Health Care

As Obama Broke His Health Care Premiums Promise, Americans Watched The Gap Grow Deeper And Wider

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THE PROMISE: BY THE END OF OBAMA'S FIRST TERM, FAMILIES SHOULD'VE SAVED $2,500 A YEAR ON THEIR HEALTH CARE PREMIUMS

As A Candidate, Obama Promised That His Health Care Reform Would Save American Families $2,500 A Year By The End Of His First Term. OBAMA: "If you are ready for change, then we can stop talking about the outrage of 47 million people without health insurance and start doing something about it. I've put forward a plan that says everybody will have the same health care if they want it that I have as a member of Congress, that you can't be excluded for pre-existing conditions, we'll negotiate with the drug companies for the cheapest available prices. If you're 25 or younger you can stay on your parents' health insurance. If you've got health insurance, we're going to work with you to lower your premiums by $2,500 per family per year. And we will not wait 20 years from now to do it or 10 years from now to do it. We will do it by the end of my first term as president of the United States of America." (Senator Barack Obama, Remarks At Campaign Event, Columbus, OH, 2/27/08)

THE GAP: OBAMA'S GUARANTEED HEALTH CARE SAVINGS WILL NEVER BE REALIZED

Health Care Premiums Have Increased By 18.9 Percent Under Obama

Under Obama, The Average Cost Of Family Health Care Premiums Have Increased From $12,680 To $15,073. ("Employer Health Benefits, 2011 Annual Survey, Exhibit 1.11," Kaiser Family Foundation, 2011)

In 2011, The Cost Of Health Insurance Climbed, Outpacing "Any Growth In Workers' Wages." "The cost of health insurance for many Americans this year climbed more sharply than in previous years, outstripping any growth in workers' wages and adding more uncertainty about the pace of rising medical costs." (Reed Abelson, "U.S. Health Insurance Cost Rises Sharply, Study Finds," *The New York Times*, 9/27/11)

Kaiser Study Found That Average Family Coverage Premiums "Climbed" 9 Percent In 2011. "A new study by the Kaiser Family Foundation, a nonprofit research group that tracks employer-sponsored health insurance on a yearly basis, shows that the average annual premium for family coverage through an employer reached $15,073 in 2011, an increase of 9 percent over the previous year." (Reed Abelson, "U.S. Health Insurance Cost Rises Sharply, Study Finds," *The New York Times*, 9/27/11)

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- **Workers Paid An Average Of $132 More For Family Coverage In 2011 Than They Did In 2010.** "Although premiums rose, employers kept the percentage of the premium workers pay about the same: An average of 18 percent for single coverage and 28 percent for family plans. Still, with rising costs, workers paid more, up an average of $132 a year for family coverage. Since 1999, the dollar amount workers contribute toward premiums nationally has grown 168 percent, while their wages have grown by 50 percent, according to the survey." (Julie Appleby, "Cost Of Employer Insurance Plans Surge In 2011," *Kaiser Health News*, 9/27/11)

Employer-Sponsored Health Care Premiums Will Rise

In What Will Be The "First Time Ever," The Annual Cost Of Employer Sponsored Health Insurance Will Surpass $20,000 In 2012, $1,335 More Than The Previous Year. "Health care costs for a family of four covered by workplace health insurance will exceed $20,000 for the first time ever this year -- $20,728 to be precise -- according to a new study released Tuesday. That's $1,335 more than in 2011. A family of four will pay $5,114 in premiums for a preferred provider organization plan, a common type of health insurance, along with $3,470 in out-of-pocket costs like co-payments for doctor visits and prescription drugs, according to the report issued by Milliman, a firm that consults with companies on employee benefits." (Jeffrey Young, "Health Care Costs To Exceed A Record $20,000 Per Year For Families With Insurance, Study Says," *The Huffington Post*, 5/15/12)

Under Obama, Employer-Sponsored Health Care Premiums Have "Skyrocketed." Nationwide, the cost of health care has skyrocketed. Premiums for employees rose 3.8 percent at the end of last year, and the cost of insuring a family on an employer-sponsored health care plan is expected to surpass $20,000 for the first time ever this year." ("Health Insurance Ruling Won't Make Coverage Cheaper For Most Americans," *The Huffington Post*, 6/28/12)

Employer-Sponsored Health Care Premiums Rose 3.8 Percent In The Fourth Quarter Of 2011. "Costs also grew for people who get health insurance from their jobs, according to Thomson Reuters. Health insurance premiums for workers rose 3.8 percent during the fourth quarter of 2011, compared to a year before. Hospital costs again led the way, increasing 5.6 percent, based on insurance claims data analyzed by Thomson Reuters." (Jeffrey Young, "Health Care Costs Rise Nearly 6 Percent Nationwide: Report," *The Huffington Post*, 4/20/12)

- **As Health Care Costs Rise, Employers Will Be Forced To Pass On The Higher Costs To Their Employees.** "First, consumers are expected to remain sensitive to rising health costs, particularly given continued low projected income growth. In this environment, consumers are likely to continue to be judicious in their use of health care services. Second, employers are expected to continue to focus on controlling costs through tighter management of care within health plans, narrow network availability, or higher cost sharing." (Sean P. Keehan, Gigi A. Cuckler, Andrea M. Sisko, Andrew J. Madison, Sheila D. Smith, Joseph M. Lizonitz, John A. Poisal and Christian J. Wolfe, "National Health Expenditure Projections: Modest Annual Growth Until Coverage Expands And Economic Growth Accelerates," *Health Affairs*, no. (2012))

WITH OBAMA PUSHING HIS FAILED HEALTH CARE POLICY, THE GAP WILL CONTINUE TO EXPAND

Until November, There Is No Hope Of Closing The Promise Gap

"Health Care Costs Will Likely Keep Rising" Despite The Supreme Court's Decision. "Don't expect the cost of health care to get cheaper as a result of the Supreme Court's decision largely to uphold the Affordable Care Act and its individual insurance mandate. In fact, health care costs will likely keep rising,

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just as they have for some time." ("Health Insurance Ruling Won't Make Coverage Cheaper For Most Americans," *The Huffington Post*, 6/28/12)

- **Americans' Premiums And Co-Payments Will Continue To Rise.** "Most consumers can expect to keep seeing increases in premiums and co-payments because the underlying cost of health care is expected to rise. The law contains a few mechanisms to curb premiums, but it also requires that many insurance providers make their benefits more generous, which will raise their cost. Older people could see their premiums go down because of the new age rating rules insurers will face." (Louise Radnofsky, "What The Supreme Court's Health-Law Ruling Means For Consumers," *The Wall Street Journal*, 6/28/12)

Using U.S. Census Bureau Data, A Study Found That "Insurance Premiums Will Surpass The Median U.S. Household Income In 2033." "If current trends continue, health insurance premiums will surpass the median U.S. household income in 2033, a new study says. Using data from the Medical Expenditure Panel Survey and the U.S. Census Bureau, researchers calculated the premiums paid by Americans from 2000 to 2009 and compared them to incomes. They found that insurance premiums rose 8 percent from 2000 to 2009, while household incomes rose only about 2 percent." (Jenifer Goodwin, "Health Insurance Premiums Will Surpass Median Household Income In 20133: Study," *US News And World Report's* "Health Day," 3/12/12)

- **Families Will Spend Half Of Their Household Income On Insurance Premiums In Just 9 Years.** "If those same rates continue during the next two decades, the average cost of a family health-insurance premium will hit half of median household income by 2021 and surpass it by 2033, the study found. The median household income was $49,800 in 2009. The study is published in the March/April issue of the *Annals of Family Medicine*." (Jenifer Goodwin, "Health Insurance Premiums Will Surpass Median Household Income In 2033: Study," *US News And World Report's* "Health Day," 3/12/12)

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