

Section
4

Expanding Access to Quality and Affordable Care

Uninsured

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Summary

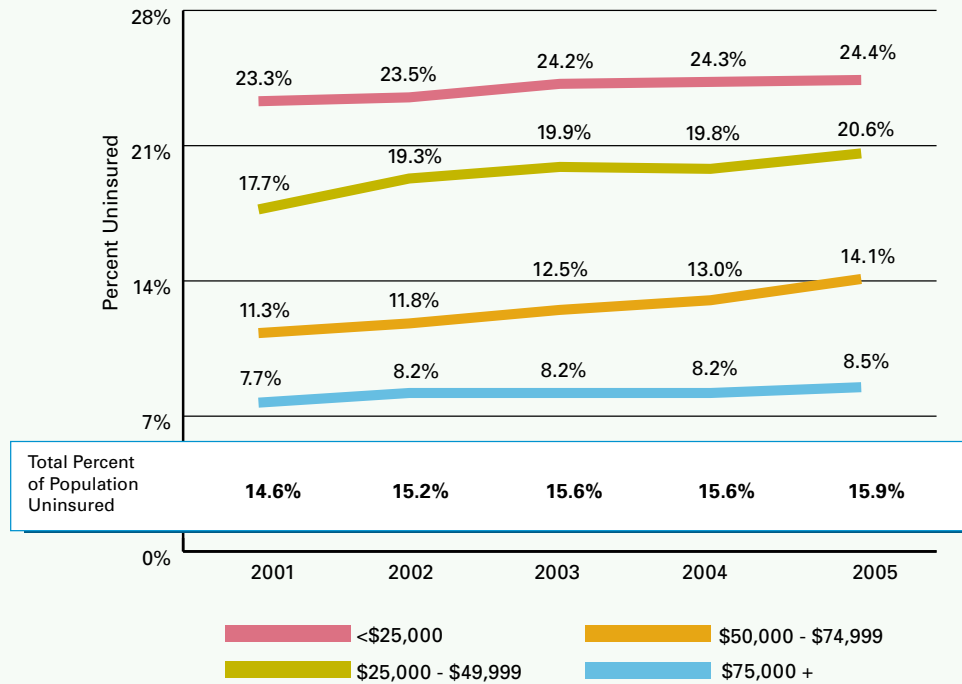
Across America, there are people who – for a variety of reasons – do not have health insurance. While the vast majority of consumers have health coverage through programs provided by their employers or through government programs such as Medicare, Medicaid and the SCHIP program, there are still too many people without health insurance.

This section – Expanding Access to Quality and Affordable Care – takes a closer look at the uninsured and some of the major factors affecting them.

There also is information examining the impact a shortage of nurses across America will have on current and future generations of patients. At the same time, hospitals and physicians – already facing mounting financial pressures of their own – are dealing with federal and state reductions in healthcare expenditures as government leaders strive to balance public spending budgets.

Percent Uninsured Within Each Income Level, 2001-2005

There appears to be a relationship between income level and insurance coverage, though the percent of uninsured has increased in all income categories since 2001.

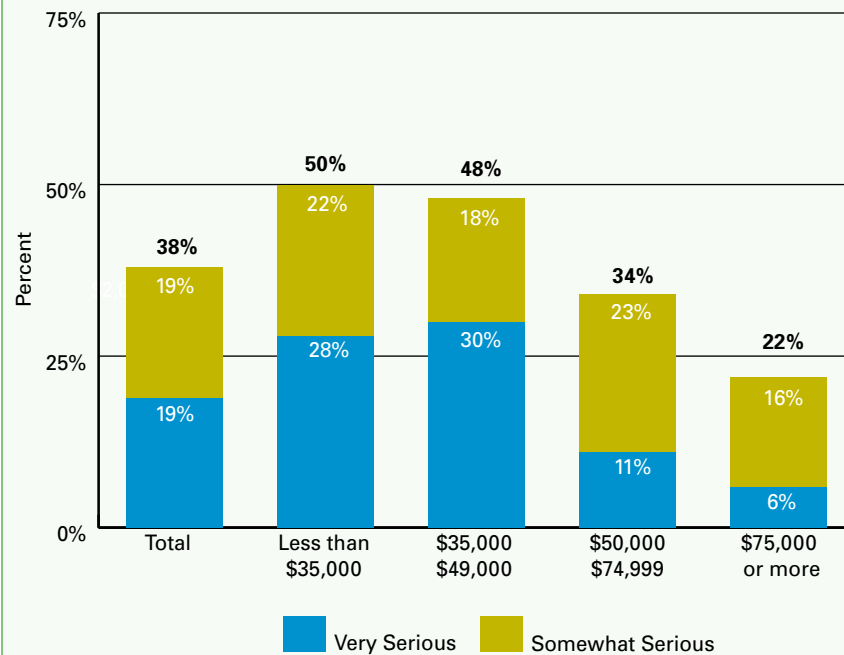


Income Level	Percentage Point Change 2001-2005
\$75,000 +	0.8%
\$50,000 - \$74,999	2.8%
\$25,000 - \$49,999	2.9%
<\$25,000	1.1%

Note: Income levels per the Income, Poverty and Health Insurance Coverage in the United States report.
 Source: U.S. Census Bureau (2006) Income, Poverty, and Health Insurance Coverage in the United States: 2005

Percent of Adults Facing Serious Problems Paying Medical Bills in the Past Two Years, by Income Level, 2006

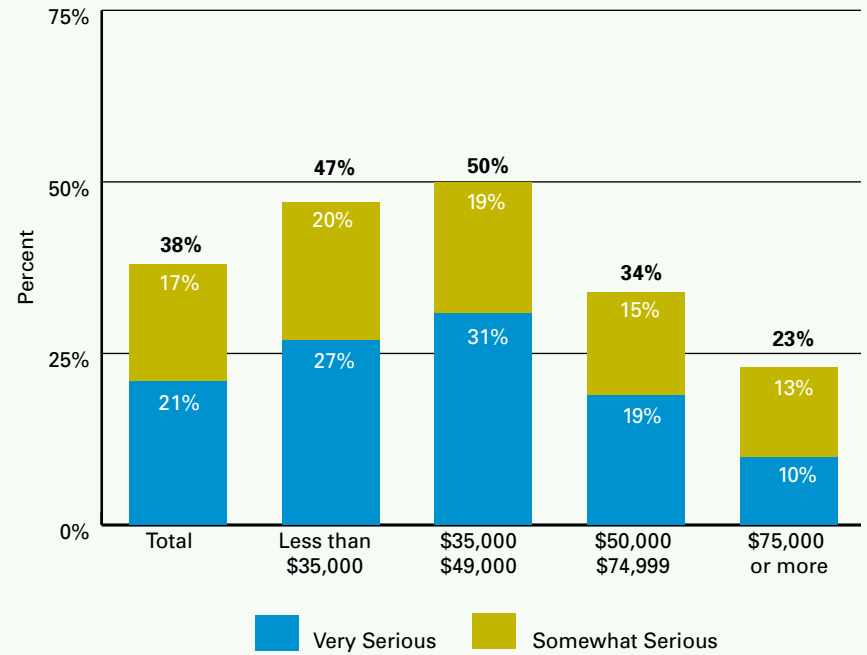
About half of adults with incomes less than \$50,000 have experienced problems paying medical bills in the past two years.



Note: Percent values on the top of each bar reflect the sum of the values within each bar.
 Source: The Commonwealth Fund (2006) Public Views on Shaping the Future of the U.S. Health Care System

Percent of Adults Facing Serious Problems Paying for Insurance in the Past Two Years, by Income Level, 2006

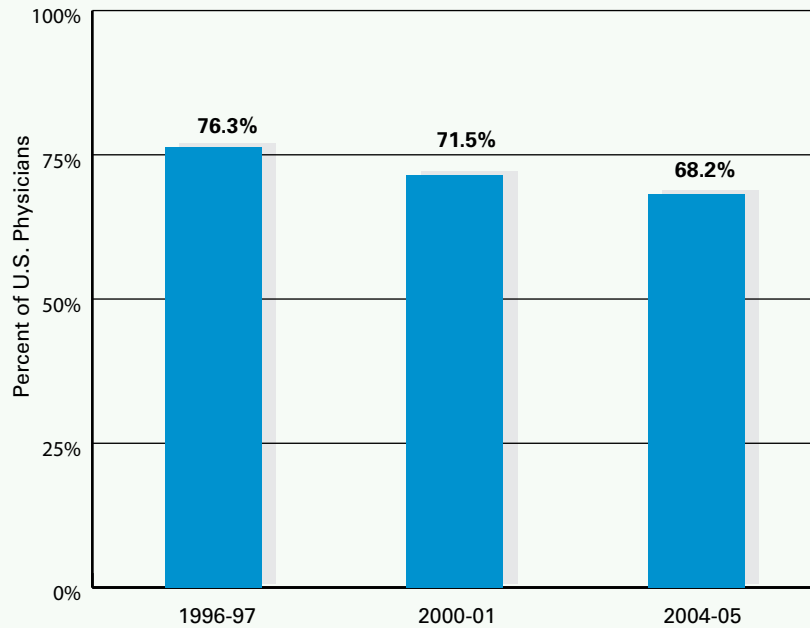
Fifty percent of adults with incomes less than \$50,000 have experienced problems paying insurance in the past two years.



Note: Percent values on the top of each bar reflect the sum of the values within each bar.
 Source: The Commonwealth Fund (2006) Public Views on Shaping the Future of the U.S. Health Care System

Proportion of U.S. Physicians Providing Charity Care, 1996-2005

A smaller percentage of physicians are providing care at reduced or no cost.

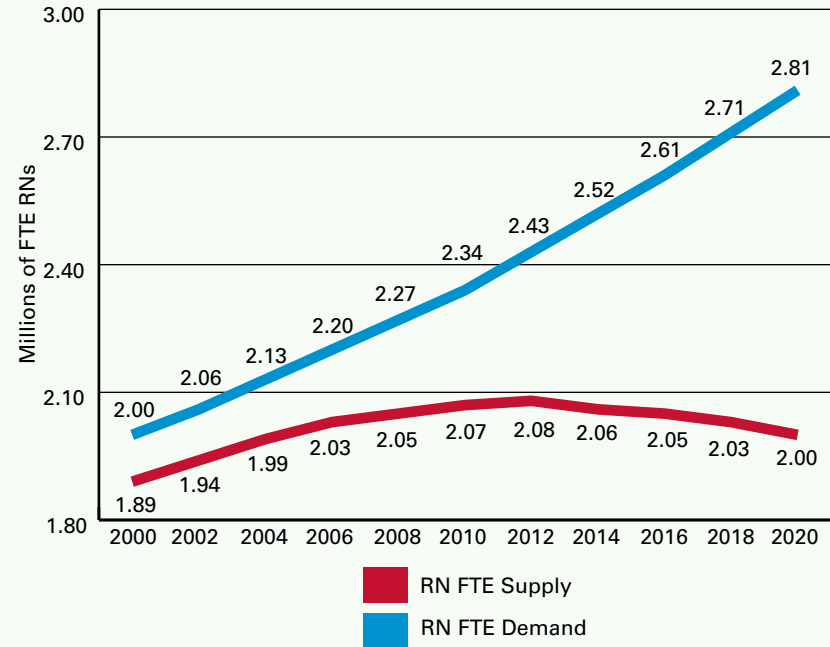


Note: Charity care includes both free or reduced cost care.

Source: P.J. Cunningham and J.H. May, "A Growing Hole in the Safety Net: Physician Charity Care Declines Again," Center for Studying Health System Change, Tracking Report No. 13, March 2006.

National Supply And Demand Projections For Full-Time Equivalent (FTE) Registered Nurses (RNs), 2000-2020

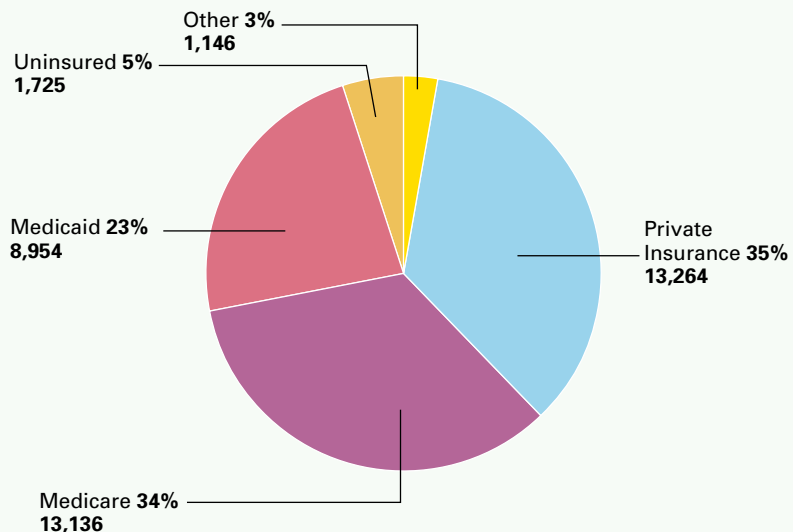
The shortage of registered nurses continue to grow. The gap between supply and demand is projected to widen further in the future.



Source: Adapted from the American Hospital Association and The Lewin Group TrendWatch Chartbook 2006: Trends Affecting Hospitals and Health Systems

Hospital Procedures, by Insurance Coverage, 2003

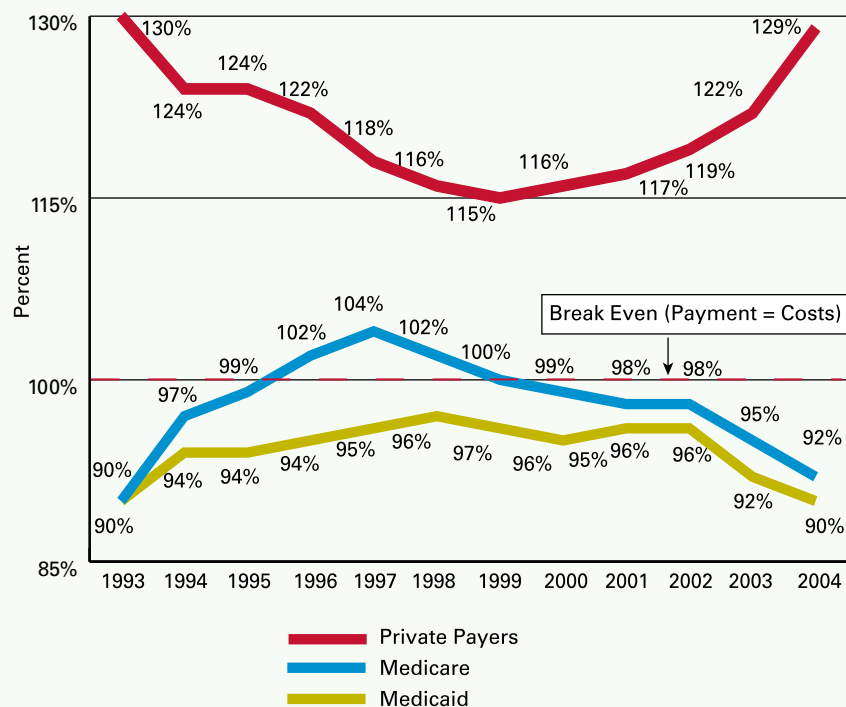
Medicare and Medicaid covered nearly 58 percent of all hospital procedures in 2003.



Source: Agency for Healthcare Research and Quality (2006) Procedures in U.S. Hospitals, 2003

Hospital Payment-to-Cost Ratios for Medicare, Medicaid and Private Payers, 1993-2003

The relationships among payers' revenue to cost ratios ("margins") suggest that cost-shifting occurs. Private pay margins are high when public pay margins, especially for Medicare, are low and vice versa.

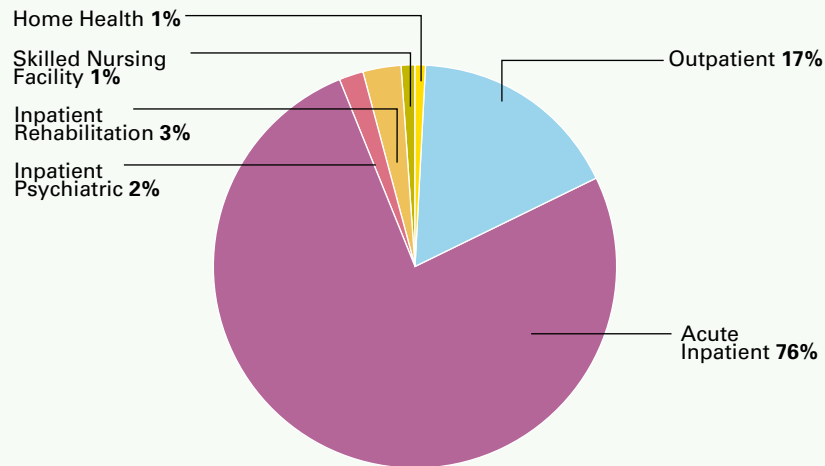


Note: Payment-to-cost ratios indicate the degree to which payments from each payer covers the costs of treating that provider's patients. Data are for community hospitals and cover all hospital services. Imputed values were used for missing data (about 35% of observations). Most Medicaid managed care patients are included in the private payers' category.

Source: Adapted from the American Hospital Association and the Lewin Group TrendWatch Chartbook: Trends affecting Hospitals and Health Systems, 2006

Distribution of Medicare's Payments to Hospitals, 2004

Inpatient care accounts for more than three-fourths of Medicare's payments to hospitals.

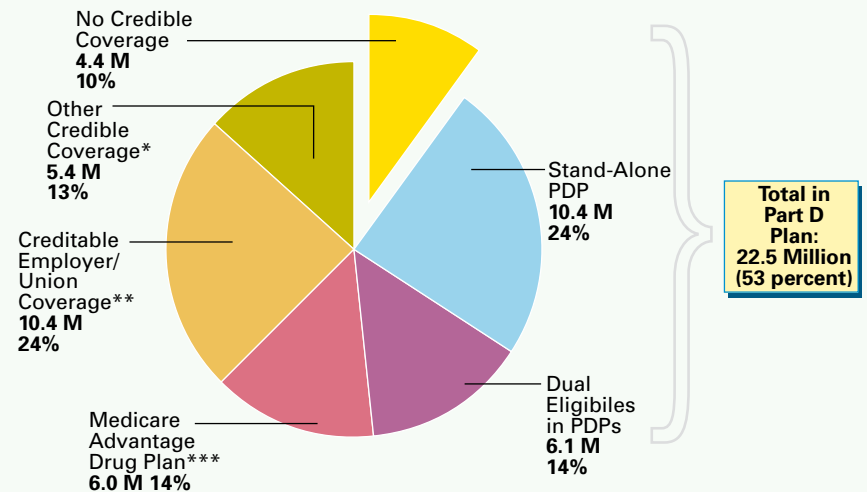


Note: Data are for hospitals covered by the Medicare acute inpatient prospective payment system. Data exclude graduate medical education as well as several services that account for smaller shares of payment, such as hospice and ambulance services.

Source: Medicare Payment Advisor Commission (2006) Medicare Payment Policy, March 2006

Prescription Drug Coverage Among Medicare Beneficiaries, 2006

The majority of Medicare beneficiaries are enrolled in the Part D prescription drug program.



Total Number of Beneficiaries = 43 Million

Note: Numbers do not sum to 100% due to rounding. PDP is prescription drug plan.

*Includes coverage from Veterans Administration, Indian Health Service, employer plans without retiree subsidies, and employer plans for active workers.

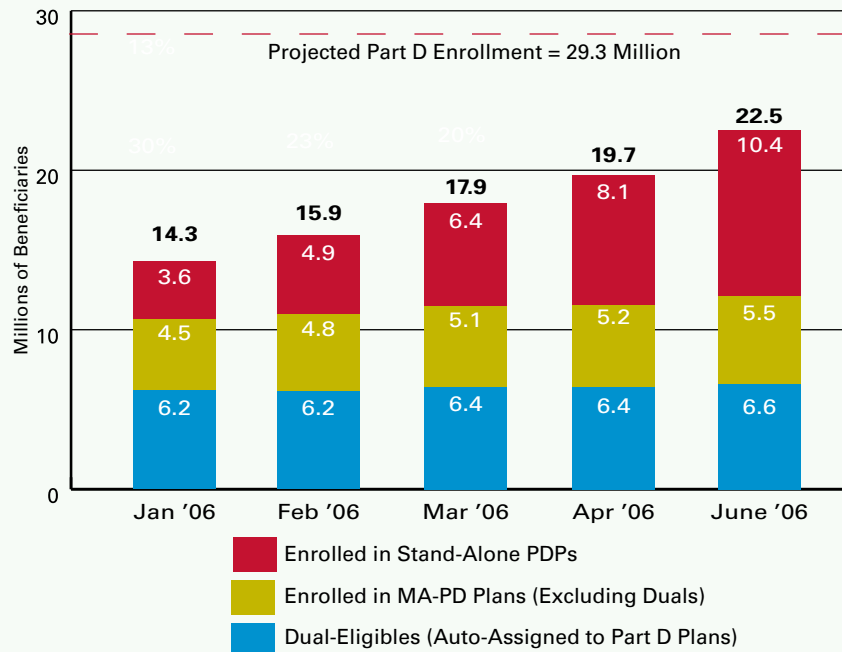
**Includes employer/union, FEHB, and TRICARE coverage.

***Approximately 0.5 million dual eligibles are enrolled in Medicare Advantage drug plans and are reported in this category.

Source: U.S. Department of Health and Human Services, Over 38 Million People With Medicare Now Receiving Prescription Drug Coverage. News Release. June 14, 2006.

Medicare Part D Enrollment — Projected vs. Actual, 2006

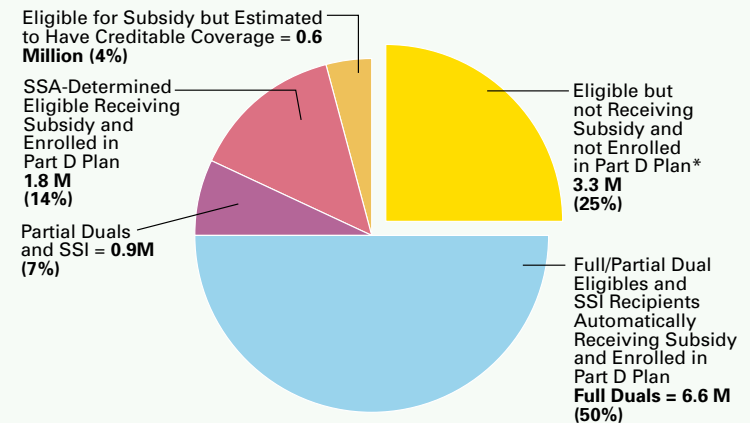
As of June 2006, 77 percent of the projected beneficiaries were enrolled in Medicare Part D.



Note: MA-PD is Medicare Advantage with prescription drug.
 Source: Projected – U.S. Department of Health and Human Services, Medicare Prescription Drug Benefit Final Rule, January 28, 2005; Actual – U.S. Department of Health and Human Services, News Releases January 2006-June 2006.

Medicare Part D Low-Income Subsidy Eligibility and Participation, 2006

One in every four individuals eligible for a low-income subsidy has not enrolled in a Part D plan.



Beneficiaries Eligibles for Low-Income Subsidies = 13.2 Million

Note: SSA is Social Security Administration.
 *Includes future anticipated enrollment of 0.1 million beneficiaries.
 Source: U.S. Department of Health and Human Services, Over 38 Million People With Medicare Now Receiving Prescription Drug Coverage. News Release. June 14, 2006

Cost of Healthcare Fraud

- According to the National Health Care Anti-Fraud Association, fraudulent healthcare transactions account for as much as 5 percent (\$94 billion) of the \$1.9 trillion spent on healthcare in 2004.
- Blue Cross and Blue Shield Plans' anti-fraud efforts in 2005 resulted in overall savings and recoveries of more than \$249 million, an 11 percent increase from 2004. Of the \$249 million, \$144 million (58 percent) was recovered from improper payments, up 21 percent from 2004.

Source: Blue Cross and Blue Shield Association (2006) Blue Cross and Blue Shield Plans' Anti-Fraud Savings and Recoveries Increased 11 Percent in 2005