

# Just The Facts

## Take Two Aspirin...

People over 50 use twice as much health care as those in their 20s, and almost four times as much by the time they reach their 60s. So, as the population ages, the cost of health care rises.

(Source: Health Insurance Association of America)

## We're Outta Here!

The Principal Financial Well-Being Index found that almost half of U.S. workers expect to receive less than 60% of the Social Security benefits to which they are entitled. In addition, the average employee is thinking of retiring earlier (at age 63.5) than usual, with 9% saying they will retire before age 55.

## S-t-r-e-t-c-h-i-n-g a Buck

The cost of health care today continues to rise and health insurance premiums reflect this reality. According to government statistics, *ninety cents of every premium dollar pays for medical services* such as doctor visits, inpatient and outpatient services, prescription drugs and other benefits covered by the client's plan. While insurance company profitability varies, on average, *less than one percent of the premium dollar represents company profit. The remainder goes to state/federal taxes, administrative expenses and customer service.*

(Source: Health Insurance Association of America)

## I Want a New Drug

Spending for prescription drugs grew faster than any other category of health care expenditures in 1999, — *nearly 17%* — and is expected to be a major factor driving the increase in U.S. health care costs over the next decade. Contributing to the rise in costs were consumer demand as well as new and more expensive medicines on the market today. In fact, *one-quarter of the prescriptions filled in 1999 were for drugs introduced since 1992.*

(Source: The Washington Post, March 12, 2001)

## Footing the Bill

Many older people purchase drug coverage through Medicare HMOs, retiree health plans or private insurance policies. The soaring cost of medicine is a burden for millions of Americans, including the 13 million Medicare seniors who lack prescription drug coverage. *An estimated one-third of people age 65+ pay the entire cost of medicine.* HCFA (Health Care Financing Administration) projects that the continued spiral of drug prices will intensify the debate on helping older Americans pay for medicines. Medicare covers drugs that patients take in a hospital, but not those they buy at home.

(Source: The Washington Post, March 12, 2001)

## Out in the Cold

Almost half of uninsured workers (48%) are either self-employed or work in private sector firms with less than 25 employees.

(Source: www.allhealth.org)

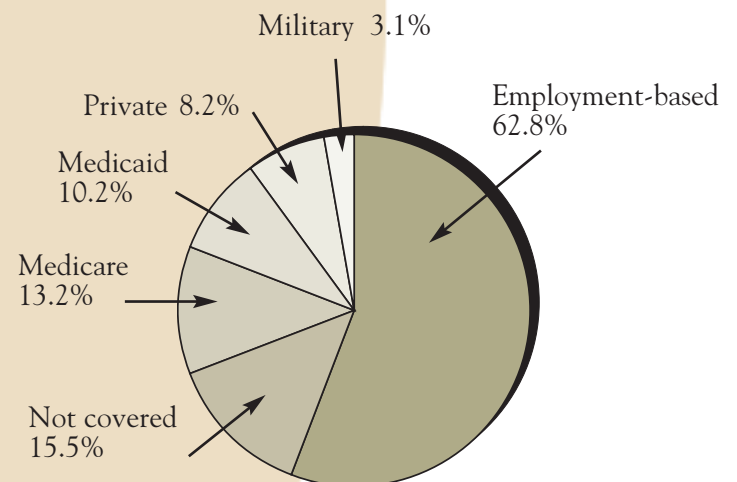
## Inflation vs. Health Care

The consumer price index (general inflation rate) is projected to increase 2.6% a year for the next four years. Health care costs are projected to rise an average of 6.5% annually during the same period.

(Source: www.nhc.org)

## Getting a Piece of the Pie

Below is a breakdown of the type of health insurance and coverage provided to the U.S. population. (1999 figures)



NOTE: The estimates by type of coverage are not mutually exclusive. People can be covered by more than one type of health insurance during the year (for example: Medicare with a Med-Supp policy)

(Source: U.S. Census Bureau)