



41 Million Uninsured

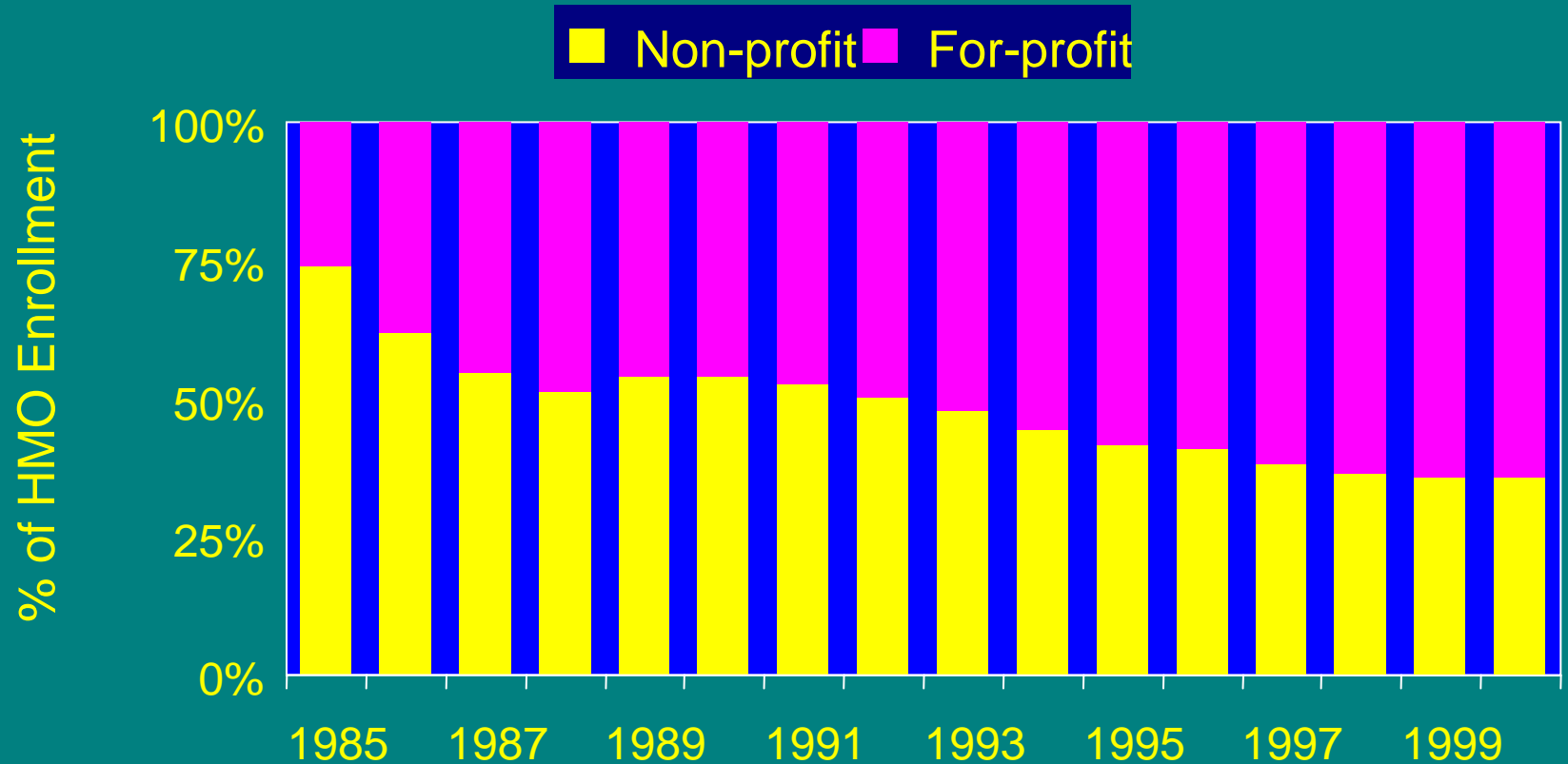
EXHIBIT C Silver

Document consists of 39 pages.

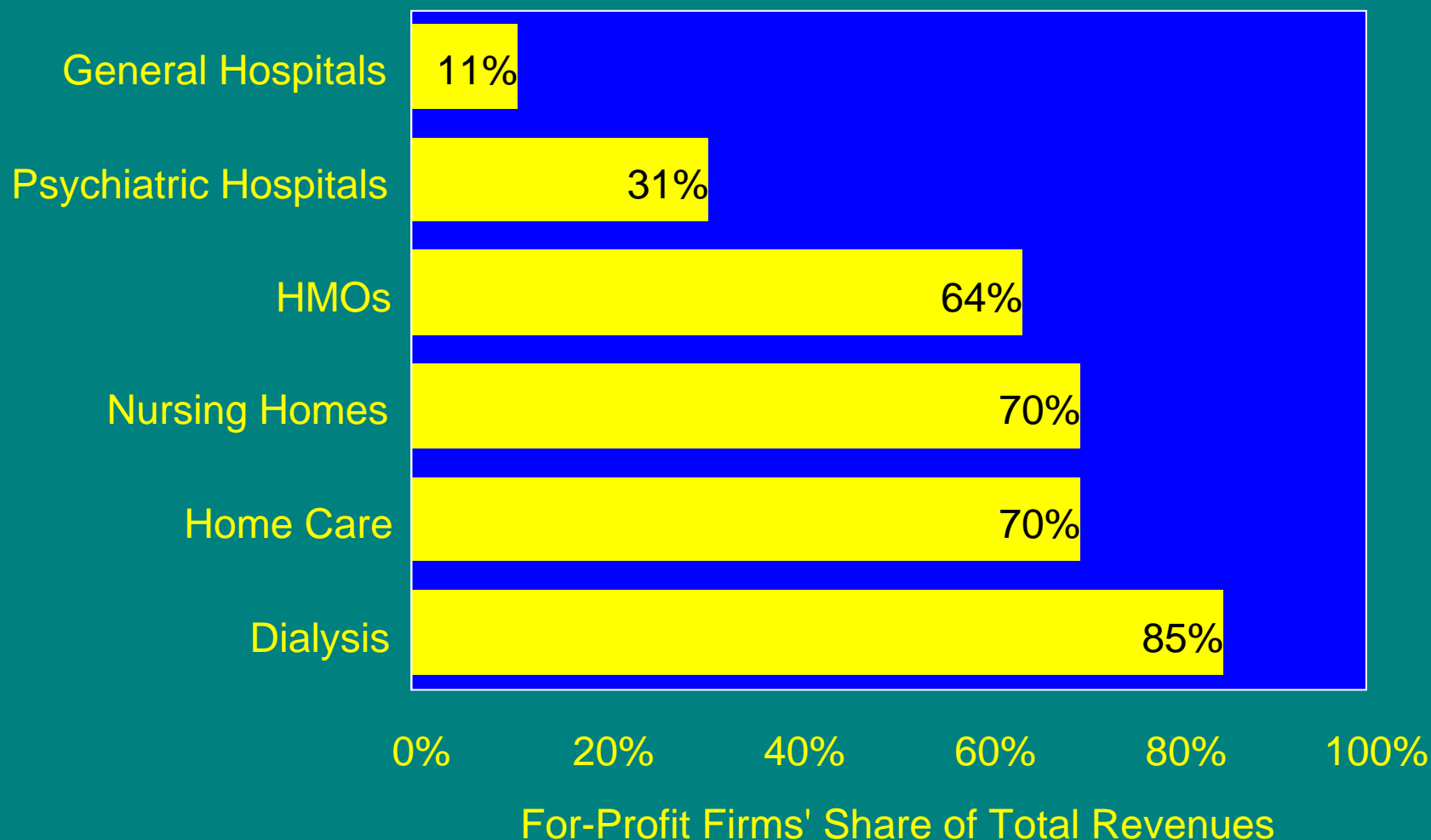
- ☒ Entire document provided.
- ☐ Due to size limitations, pages _____ provided. A copy of the complete document is available through the Research Library (775/684-6827) or e-mail library@lcb.state.nv.us.

Meeting Date 3/4/04

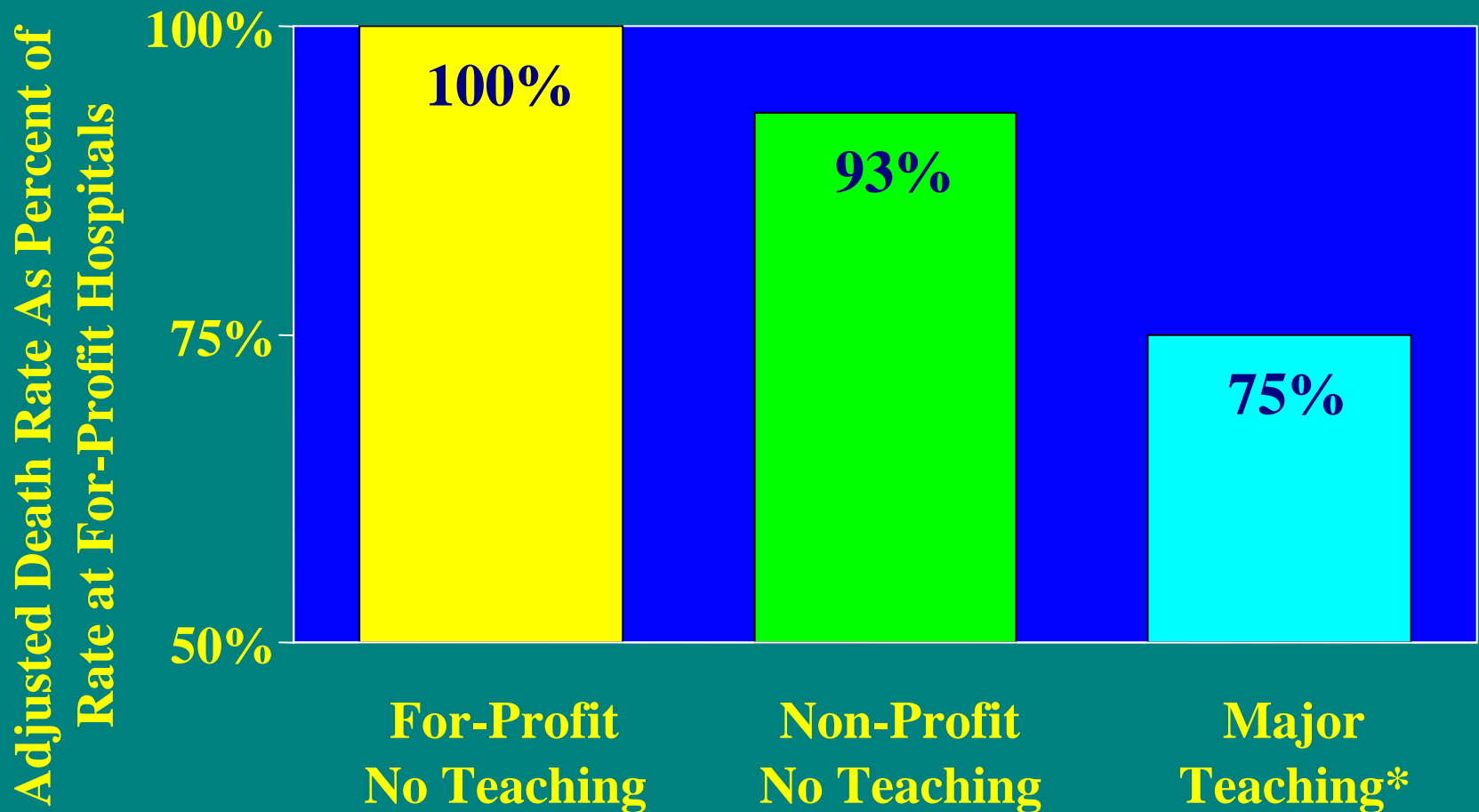
For-Profit HMOs' Increasing Dominance, 1985-2000



Extent of For-Profit Ownership, 1998



Death Rates are Higher at For-Profit Hospitals

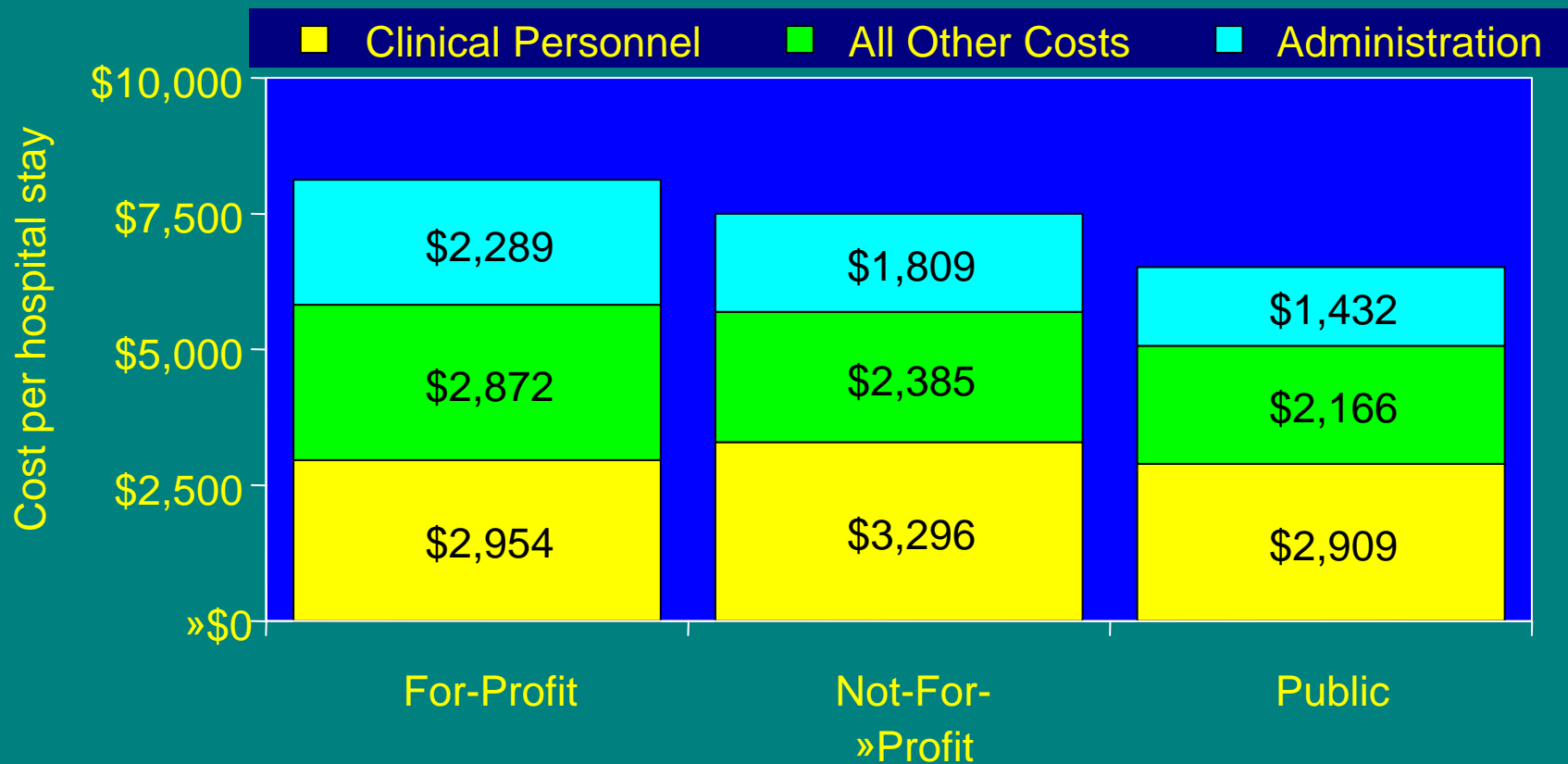


* 85.5% Non-Profit, 14.3% Government, 0.2% For-Profit

Source: NEJM 1999; 340:293

Why Are For-Profit Hospitals Costlier?

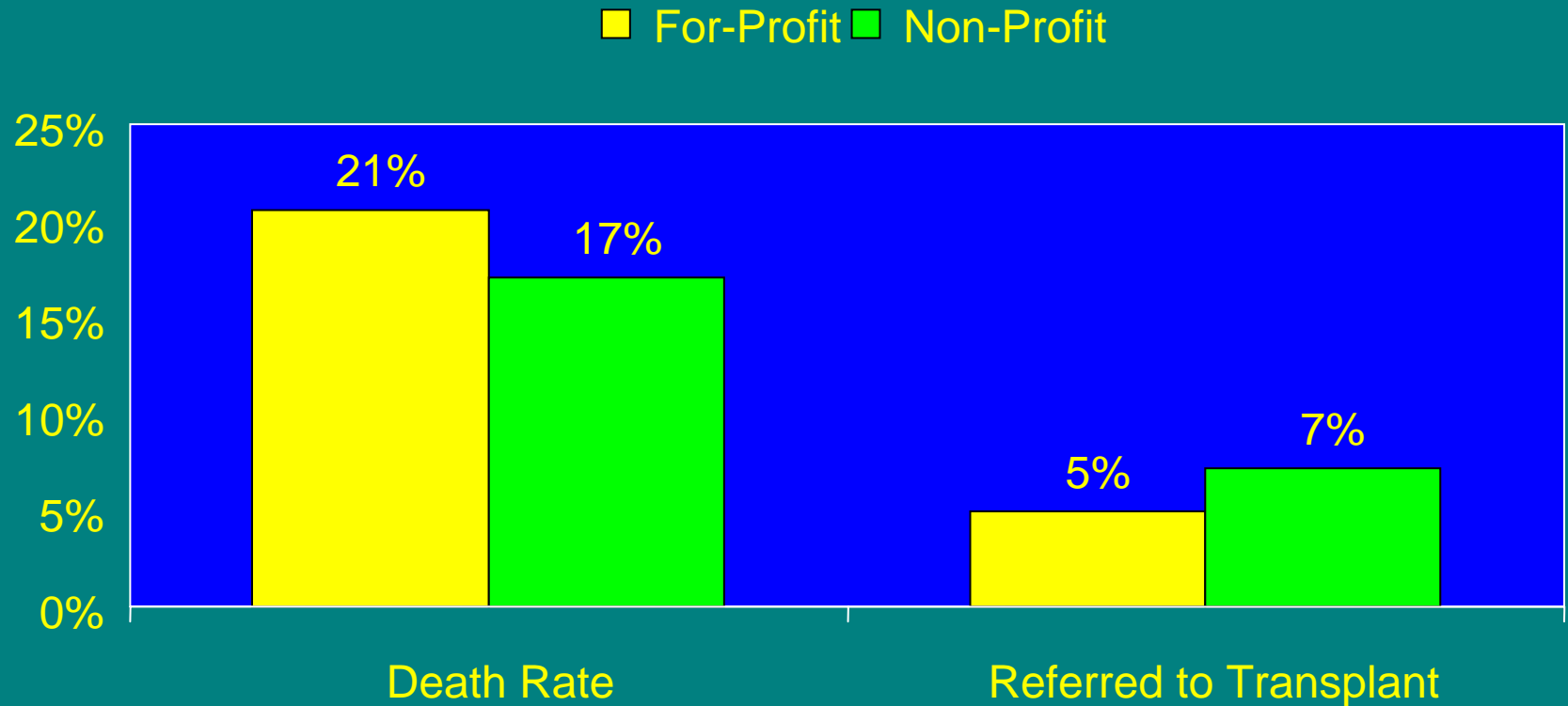
Higher Administrative and Non-Personnel Costs



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

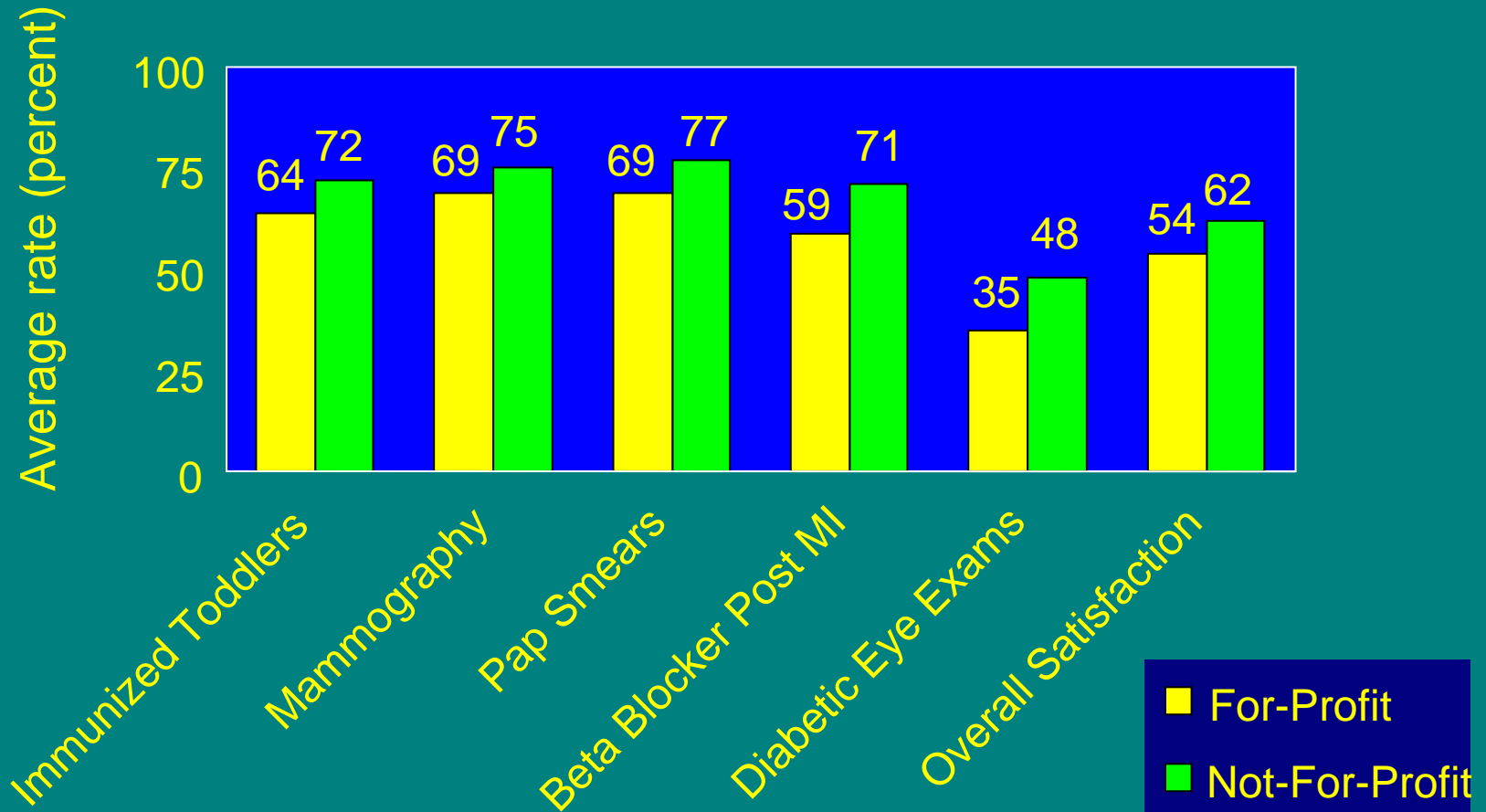
For-Profit Dialysis: More Deaths, Fewer Transplants



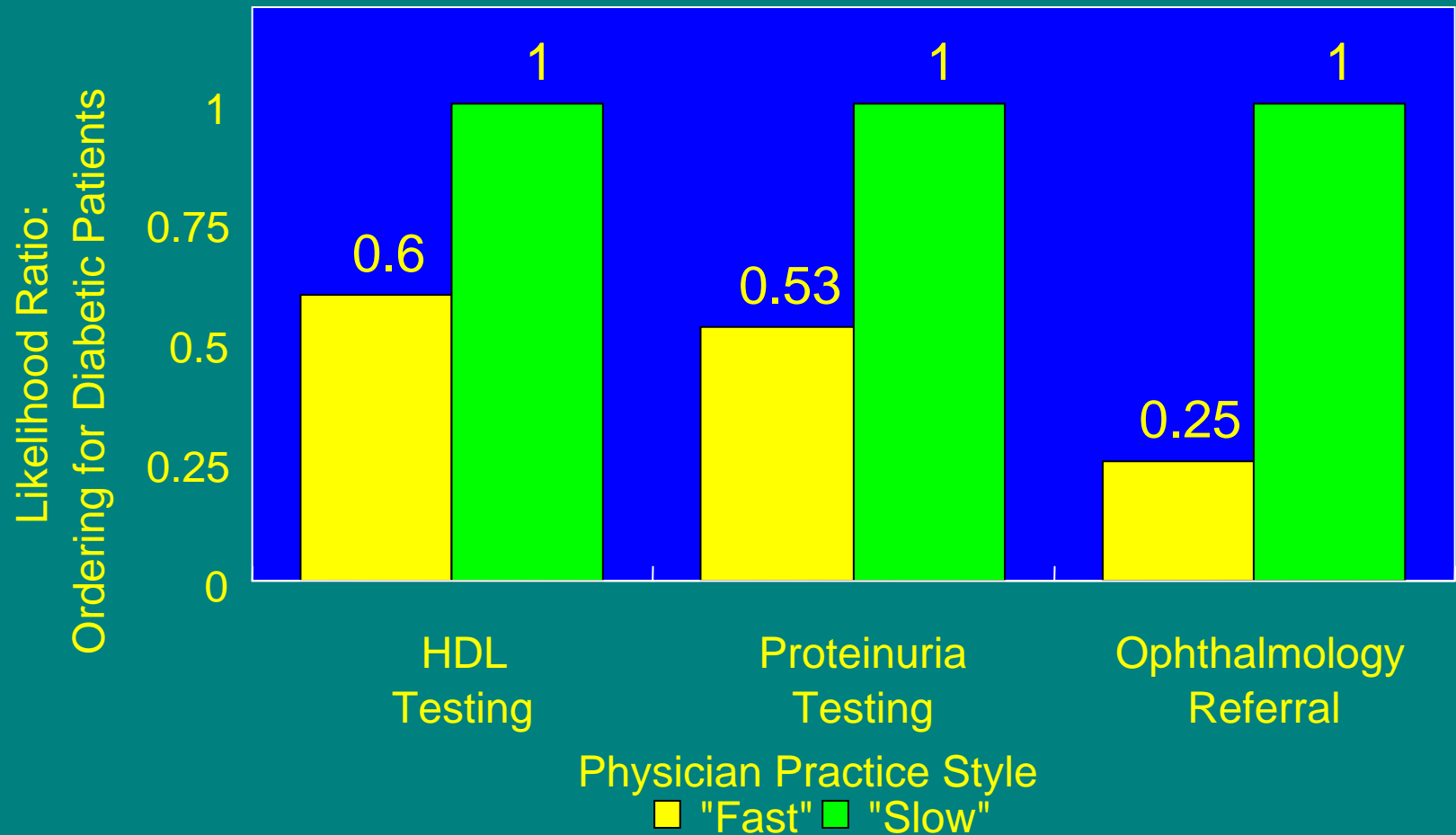
Note: Figures are adjusted for demographic factors and co-morbidities

Source: NEJM 1999; 341:1653

Investor-Owned HMOs Provide Lower Quality Care



“Productive” Physicians, Worse Care



Note: Fast physicians = those seeing more pts./hour than average

Slow Physicians = those seeing fewer pts./hour than average

Source: Arch Int Med 1999; 159:294

Tony Snow, 1993

- In the real world, people stampede when somebody slaps up a sign that reads “Free”. This is the theory behind bargain basements, but it also applies to hip replacements and appendectomies.

What's Wrong with Tax Subsidies and Vouchers?

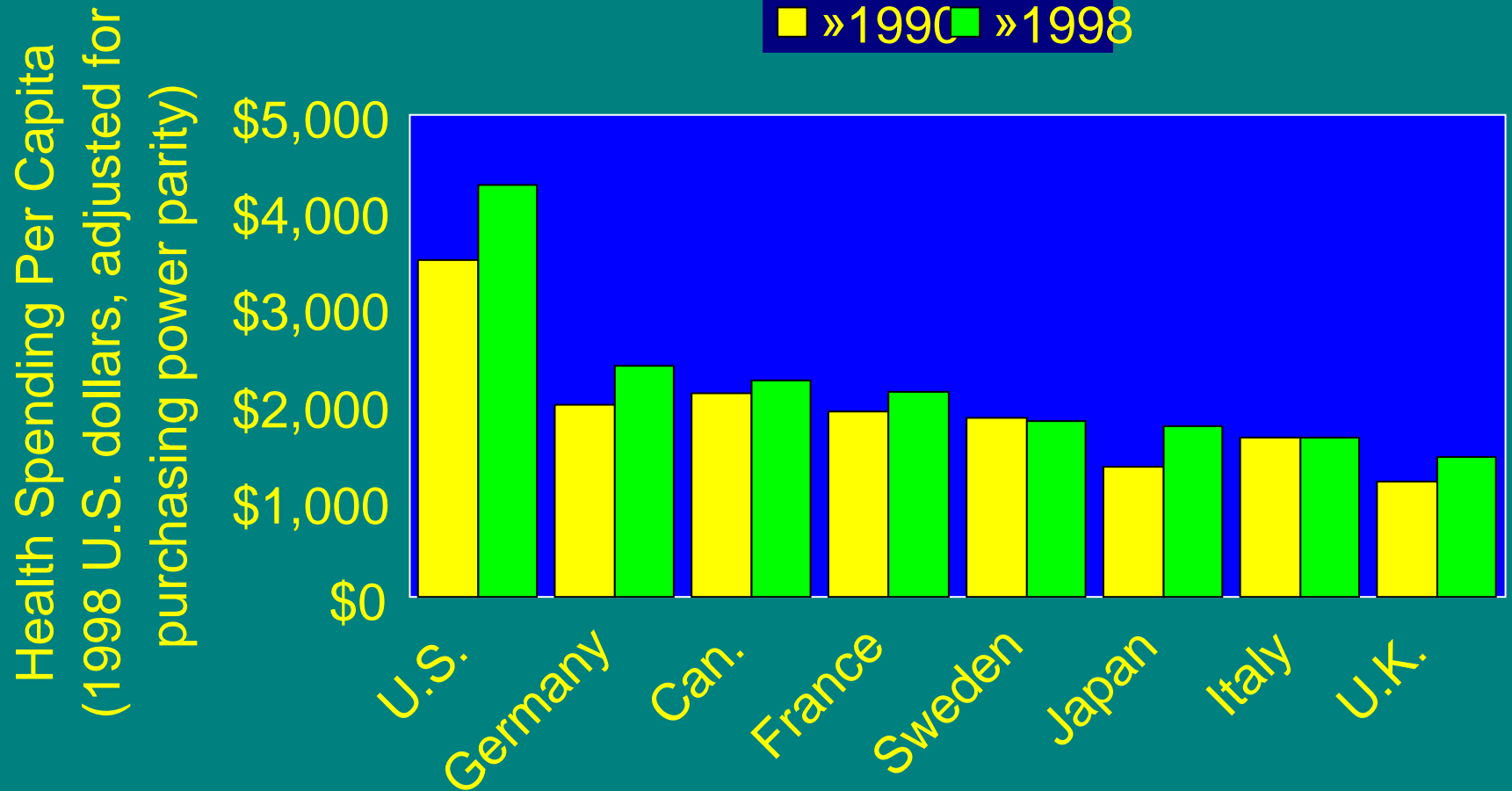
- Taxes go to wasteful private insurers, overhead >13%
- Amounts too low for good coverage, especially for the sick
- High costs for little coverage - much of subsidy replaces employer-paid coverage
- Encourages shift from employer-based to individual policies with overhead of 35% or more
- Costs continue to rise (e.g. FEHBP)
- Many are unable to purchase wisely - e.g. frail elders, severely ill, poor literacy

Medical Savings Accounts: No Saving

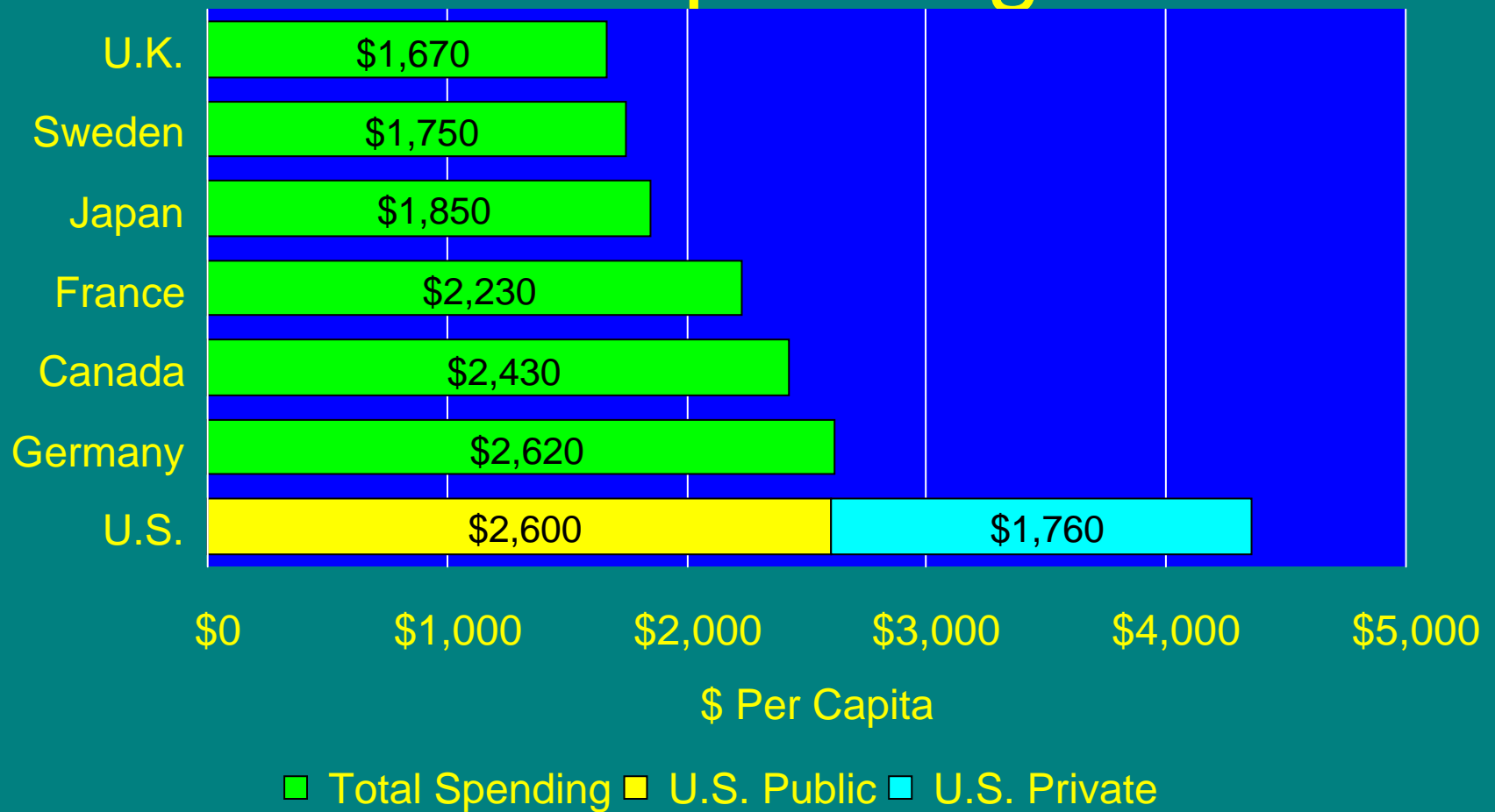
- Sickest 10% of Americans use 72% of care. MSA's cannot lower these catastrophic costs
- The 15% of people who get no care would get premium “refunds”, removing their cross-subsidy for the sick but not lowering use or cost
- Discourages prevention
- Complex to administer - insurers have to keep track of all out-of-pocket payments
- Congressional Budget Office projects that MSAs would increase Medicare costs by \$2 billion.

Health Spending, 1990 & 1998: U.S. Costs Rose More Than Other Nations

■ »1990 ■ »1998



U.S. Public Spending Per Capita for Health Care is Greater than Total Spending in Other Nations



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

Source: NEJM 1999; 340:109; Health Aff 2000; 19(3):150

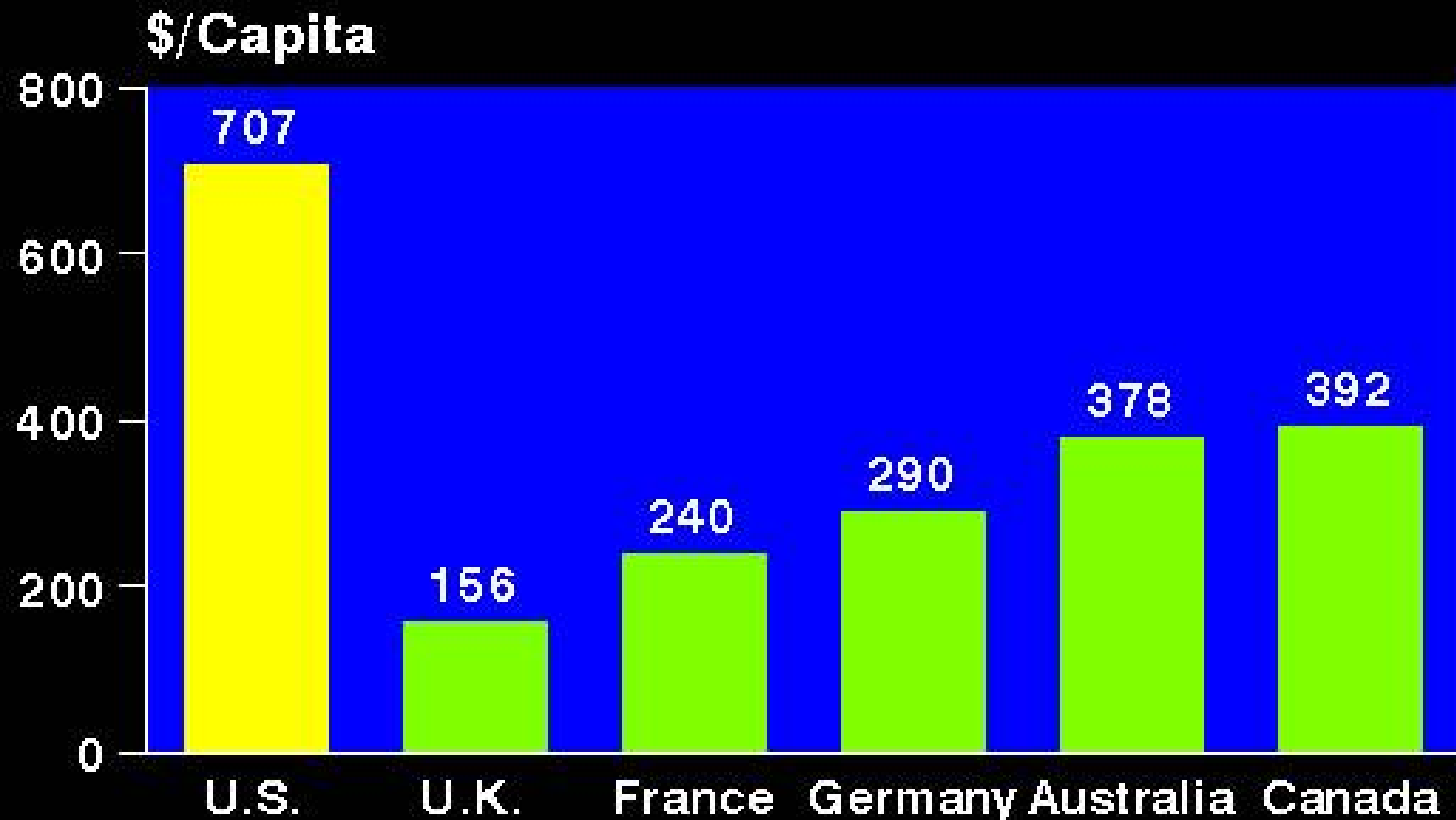
CEO Pay and Stockholdings, 1998

CEO	Firm	Pay (mill)	Stock (mil)
Wilson Taylor	Cigna	\$5.0	\$64.2
Norman Payson	Oxford	\$3.3	\$44.7
Leonard Shaeffer	Wellpoint	\$2.2	\$45.5
Richard Huber	Aetna	\$2.2	\$21.3
William McGuire	United Hlthcr.	\$1.5	\$87.8
Melvin Goodes	Warner Lambert	\$16.5	\$287
Paul Ormond	Manor Care	\$7.8	\$43.7
Peter Nicholas	Boston Scientific	\$0.8	\$1198
Thomas Frist Jr.	Columbia/HCA	\$.025	\$445

Illness and Medical Costs, A Major Cause of Bankruptcy

- 45.6% of all bankruptcies involve a medical reason or large medical debt
- 326,441 families identified illness/injury as the main reason for bankruptcy in 1999
- An additional 269,757 had large medical debts at time of bankruptcy
- 7 per 1000 single women, and 5 per 1000 men suffered medical-related bankruptcy in 1999

Out-Of-Pocket Payments, 2000

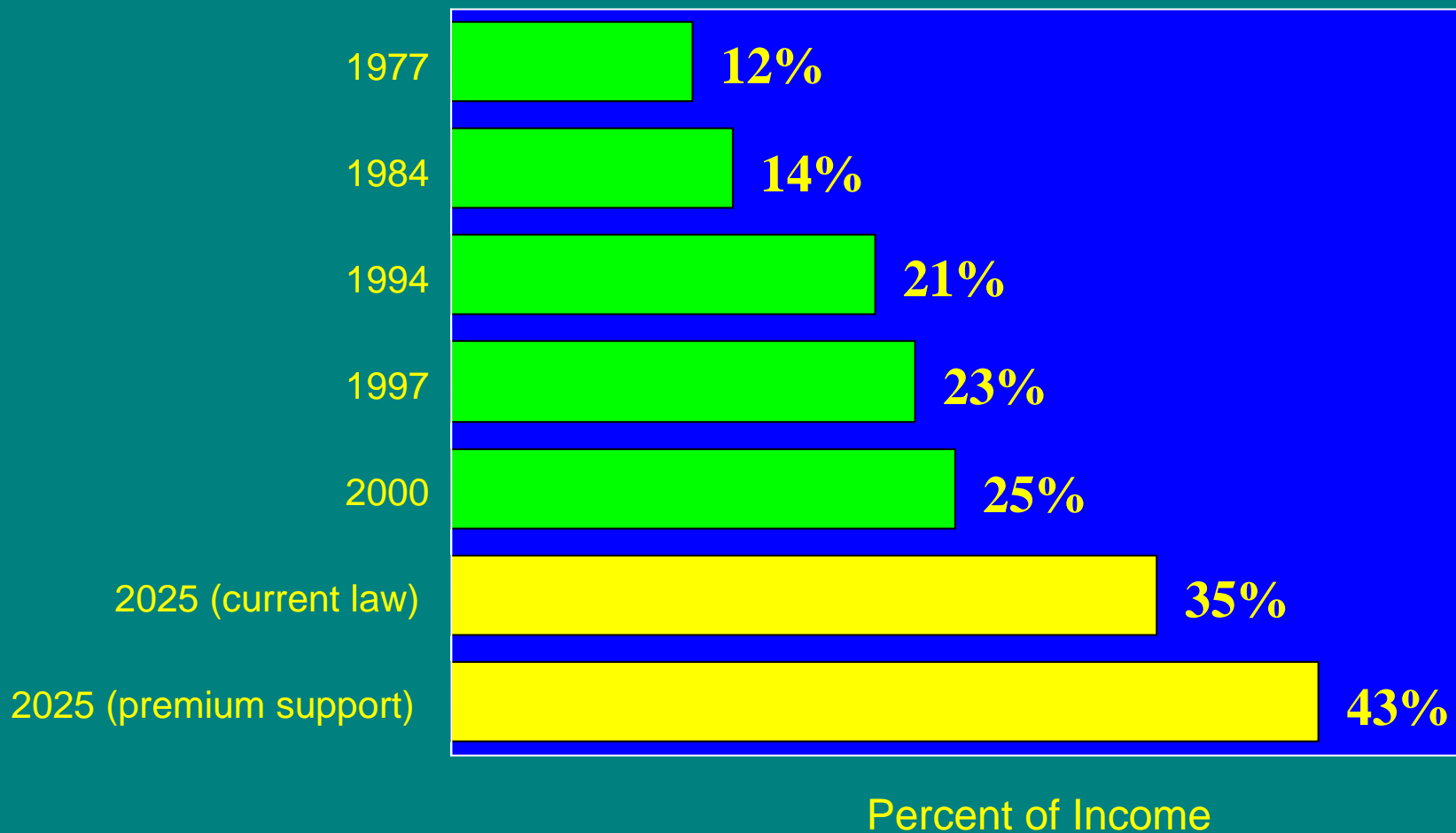


Source: OECD, 2002

Note: Figures adjusted for Purchasing Power Parity

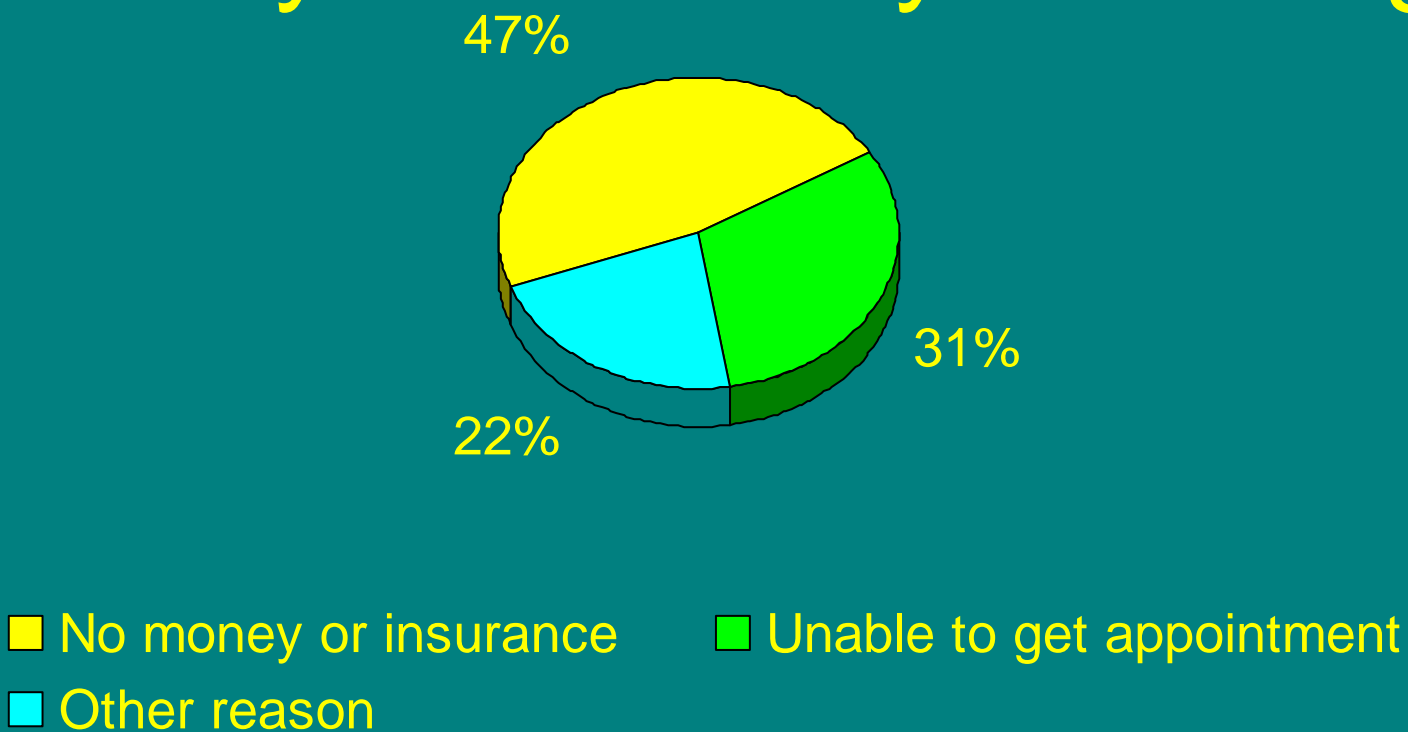
Rising Out-of-Pocket Costs for Seniors

Medicaid/Premium Support Proposals Would Work



Source: Senate Select Committee on Aging; AARP 4/95 & 3/98; and Commonwealth Fund
May, 1999 projections (adjusted to include nursing home costs)

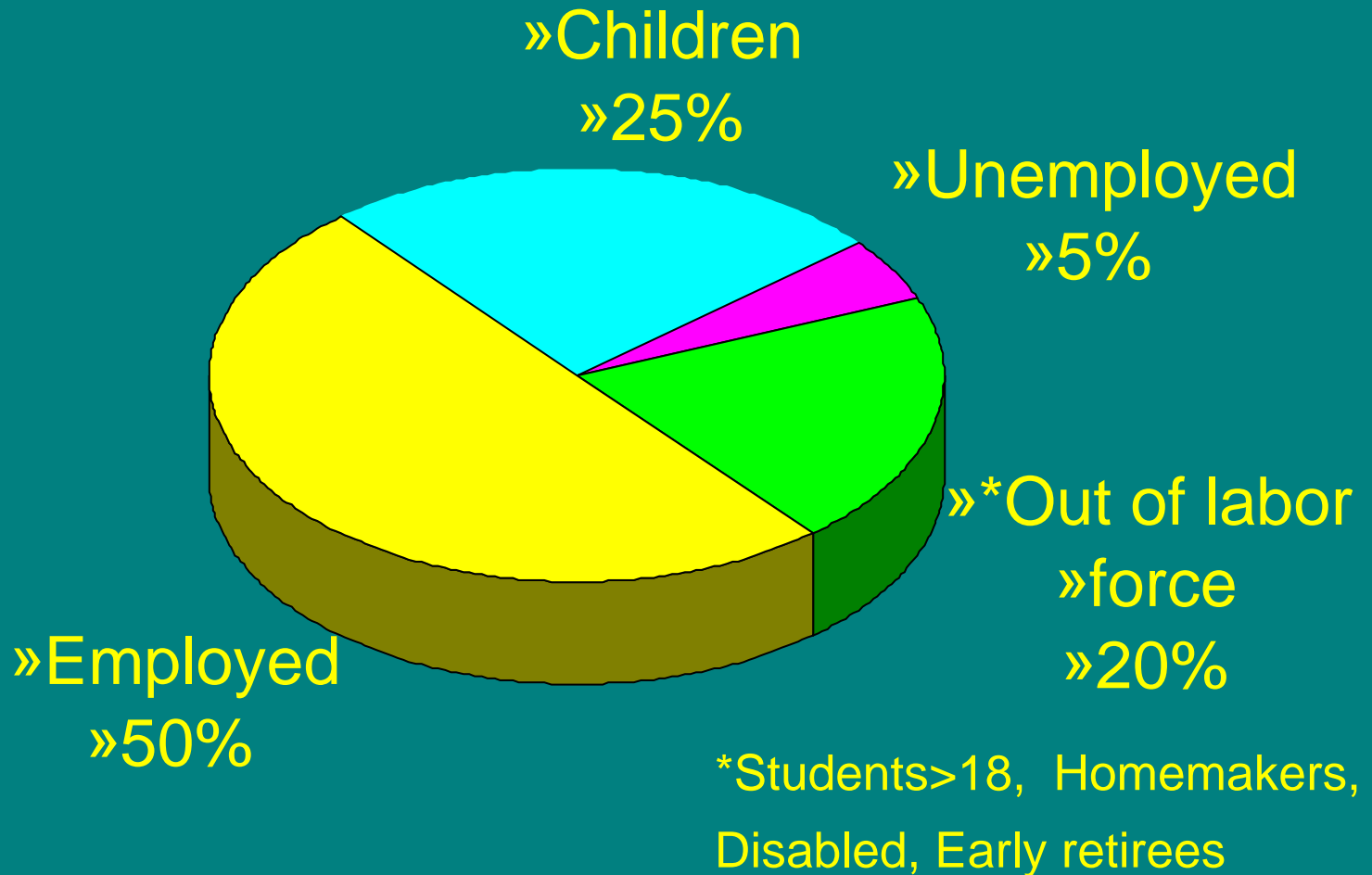
Why Women Delay Prenatal Care When They Know They Are Pregnant



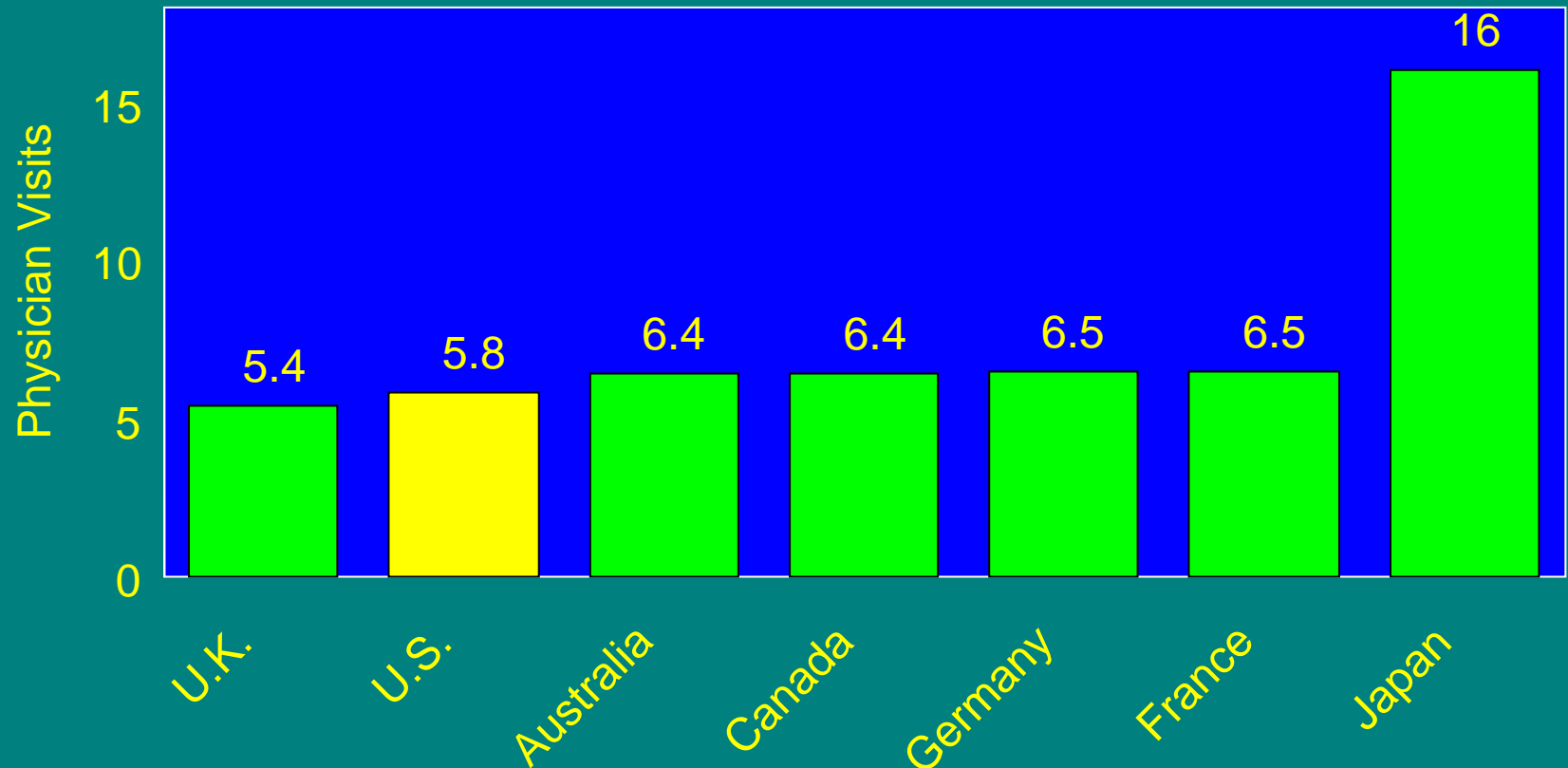
Note: 11.1% of pregnant women failed to get timely prenatal care despite knowing they were pregnant

Source: MMWR 5/12/2000; 49:393

Who Are The Uninsured?

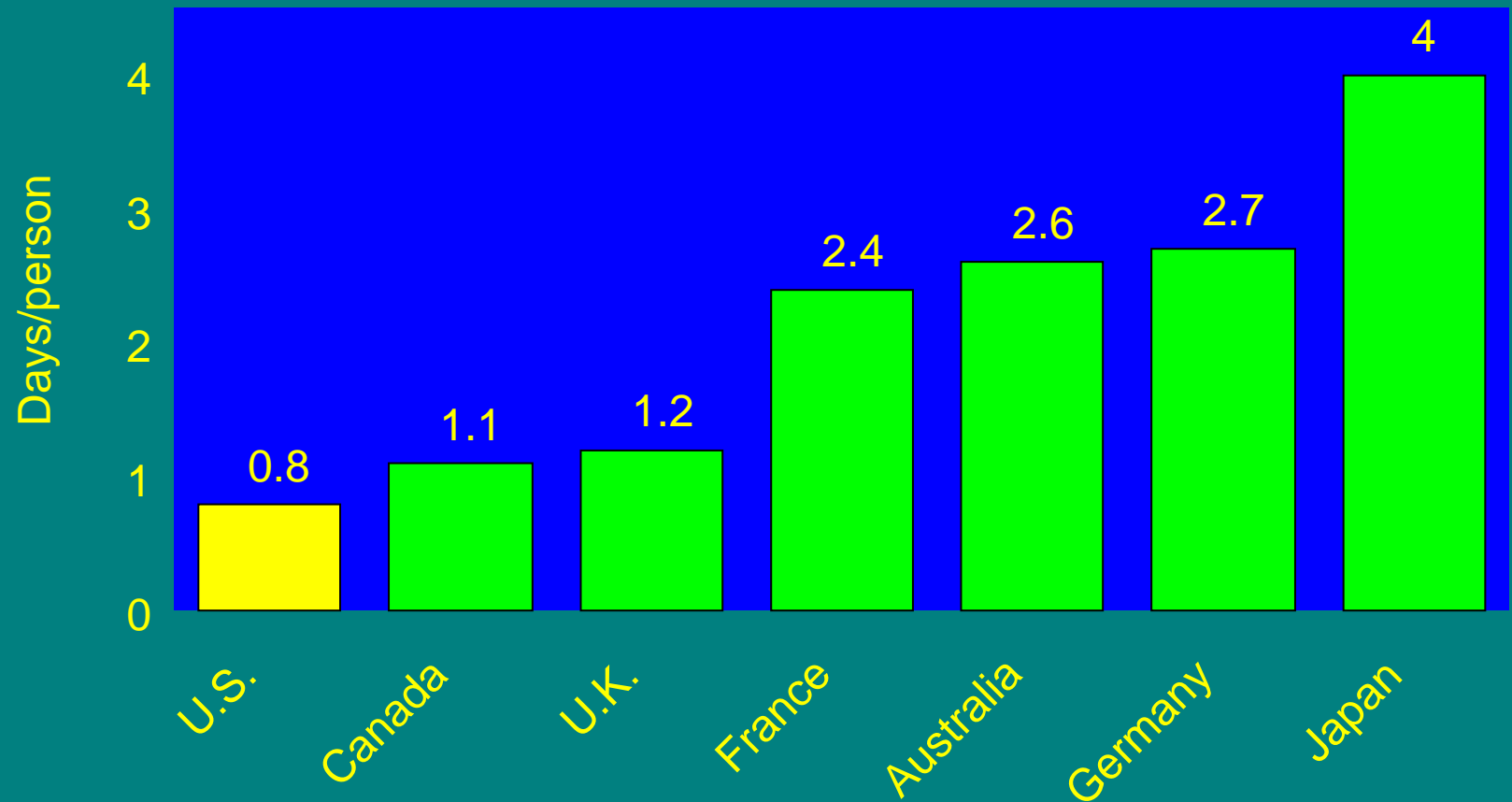


Physician Visits Per Capita

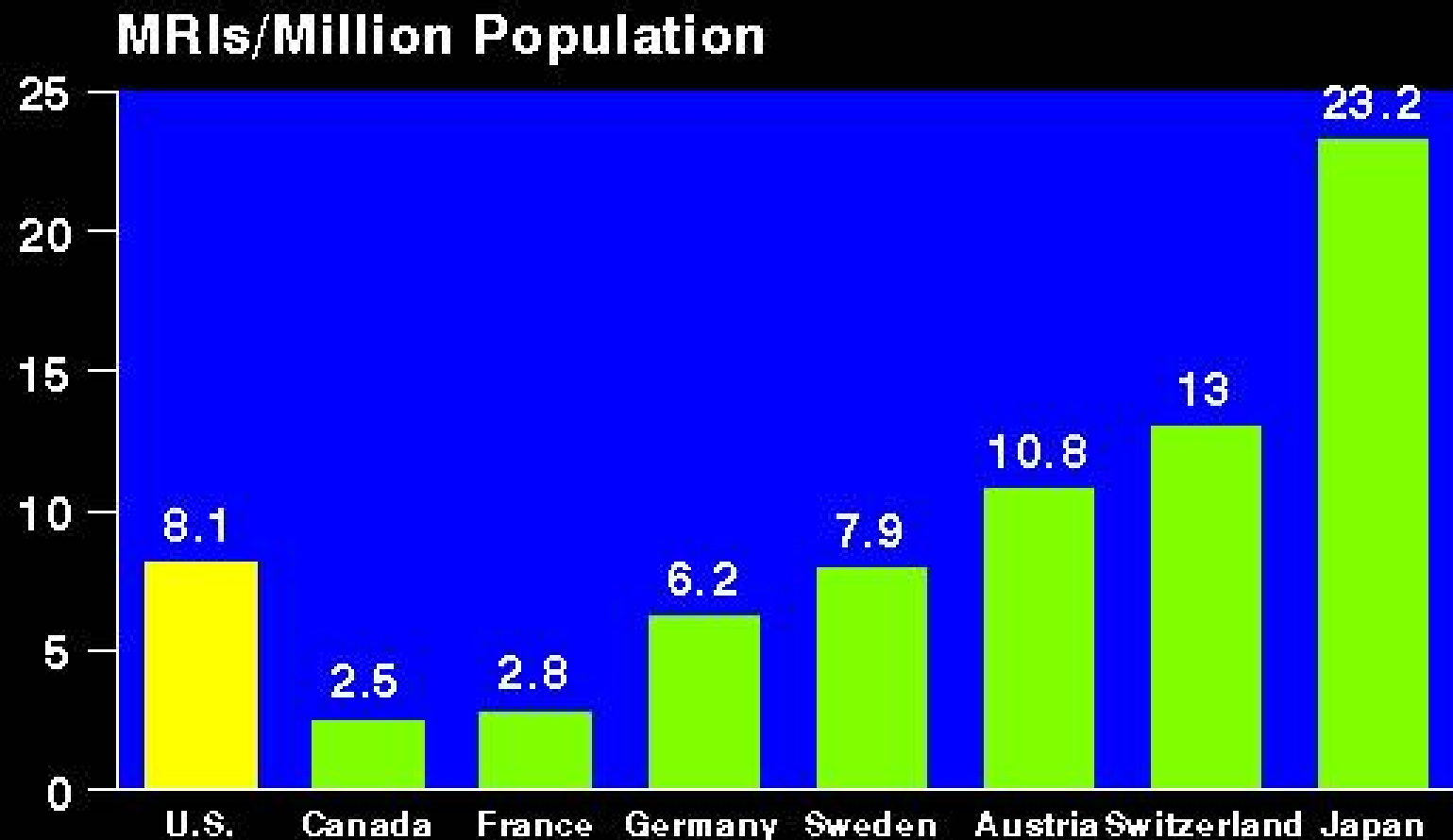


Source: OECD, 2002 - Data are for 2000 or most recent available year

Hospital Inpatient Days Per Capita, 2000



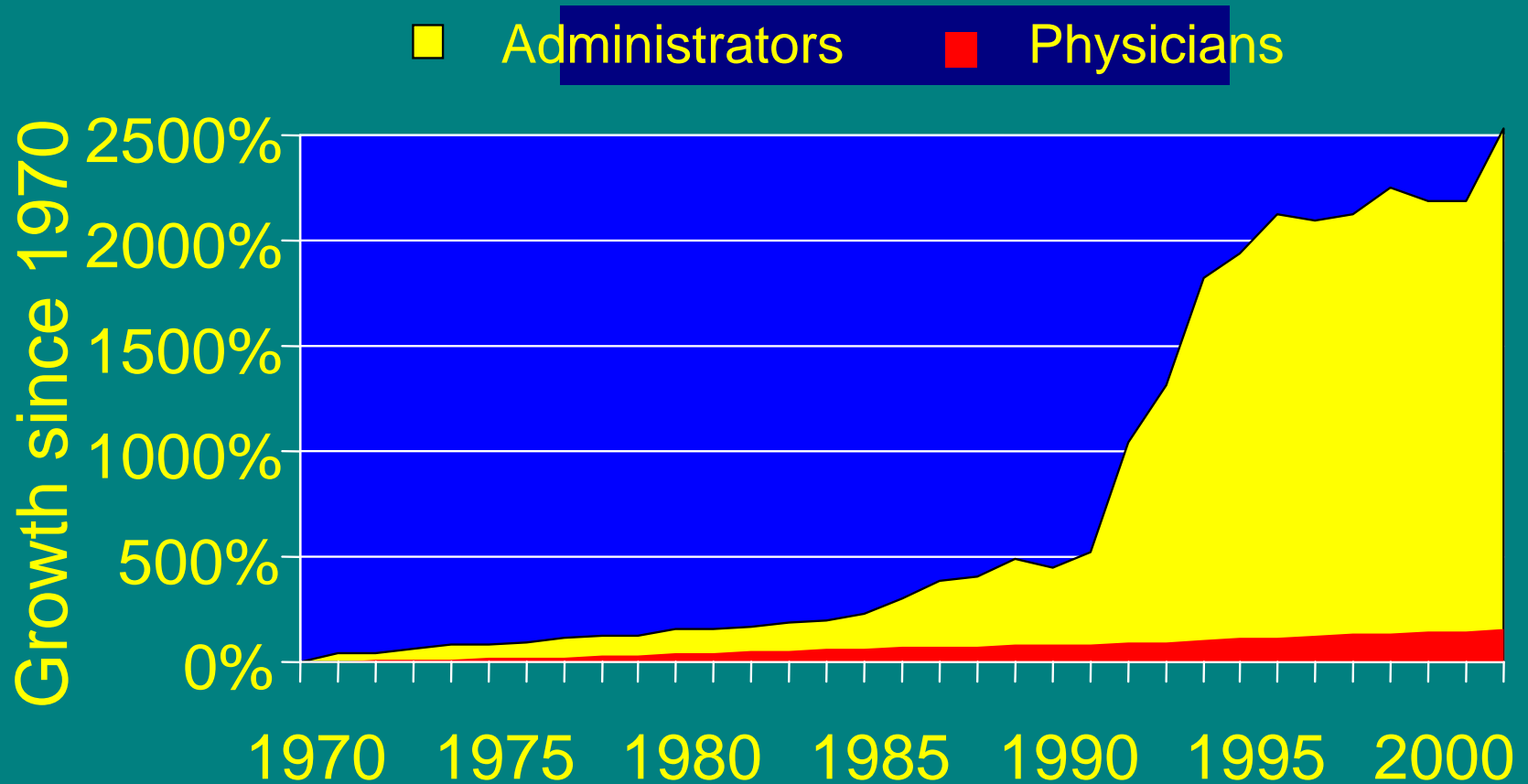
MRI Units/Million Population, 1999



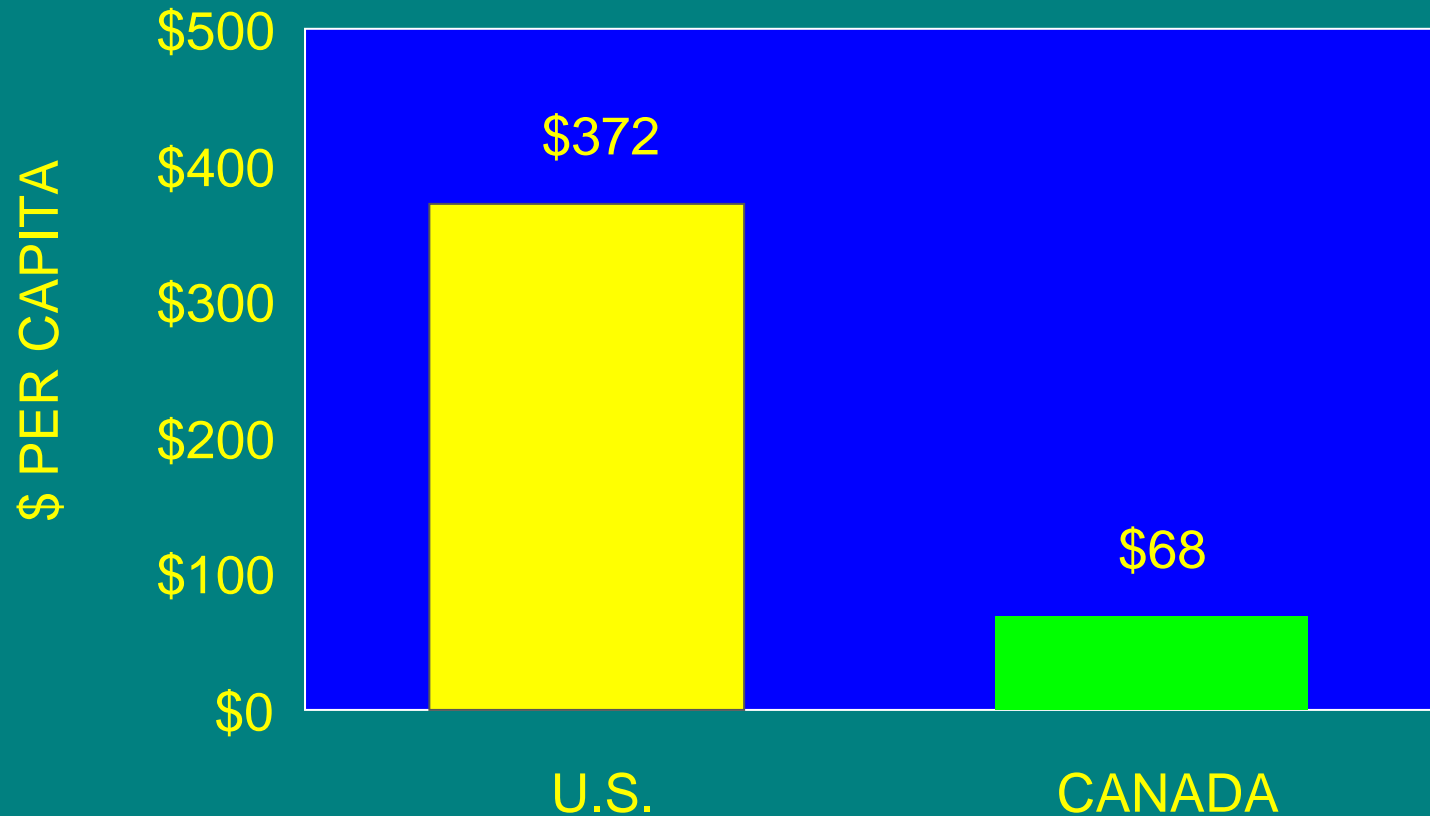
Source: OECD, 2002

Note: Data are for 1999, or most recent year available

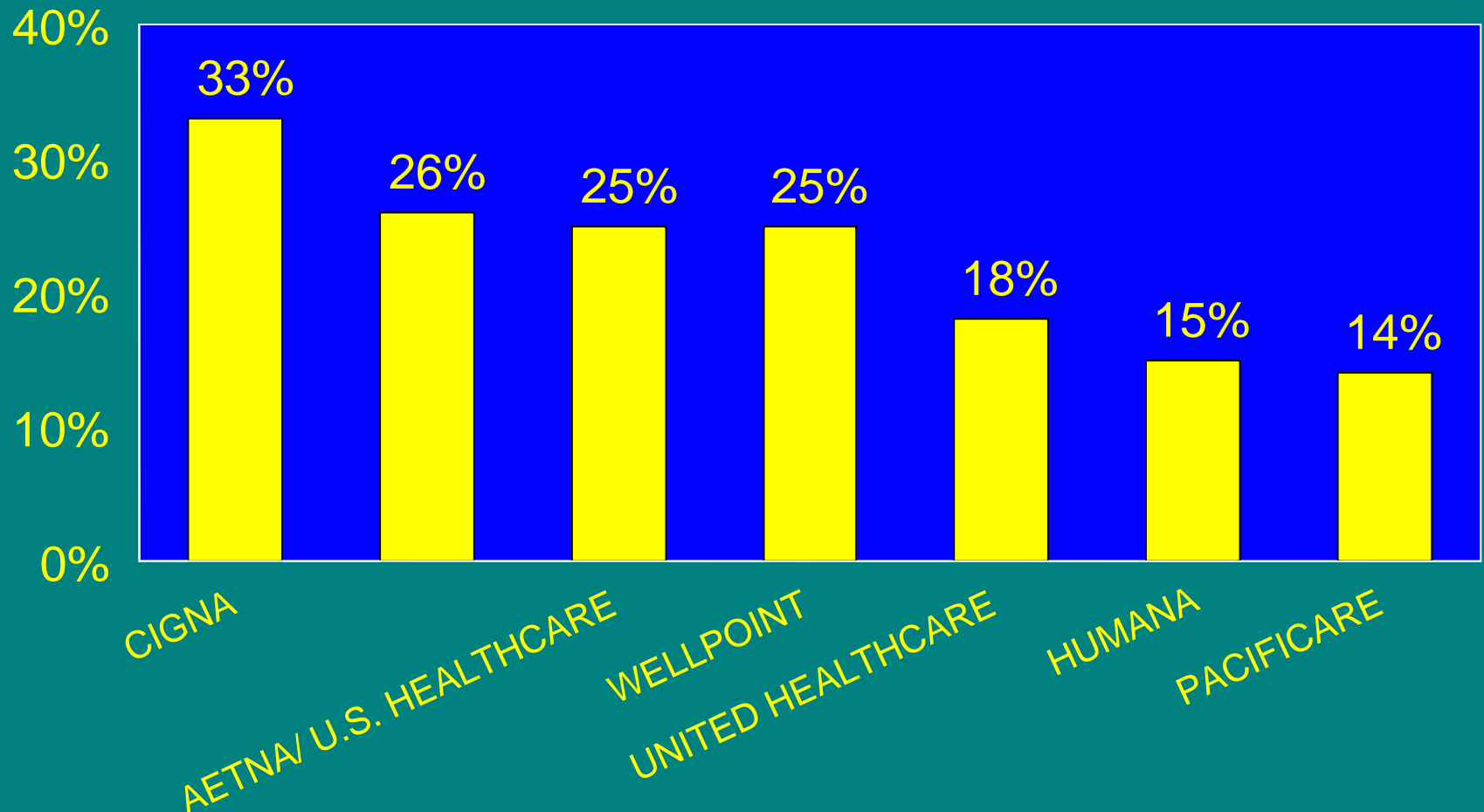
Growth of Physicians and Administrators 1970-2002



Hospital Billing & Administration United States & Canada, 2000



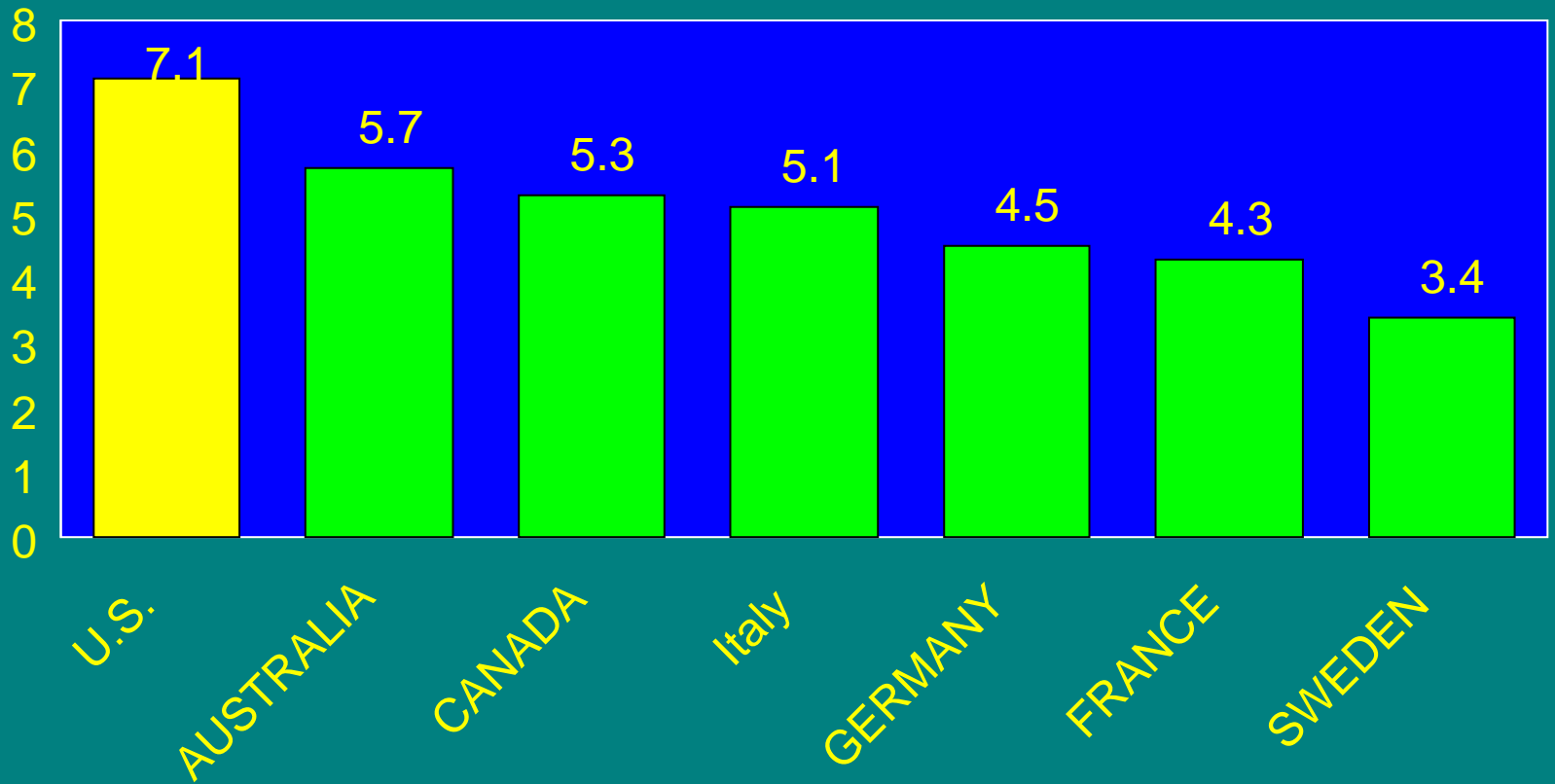
HMO Overhead & Profit As Percent of Premium



Source: BestWeek Life/Health Special Report 4/12/99 - from SEC filings

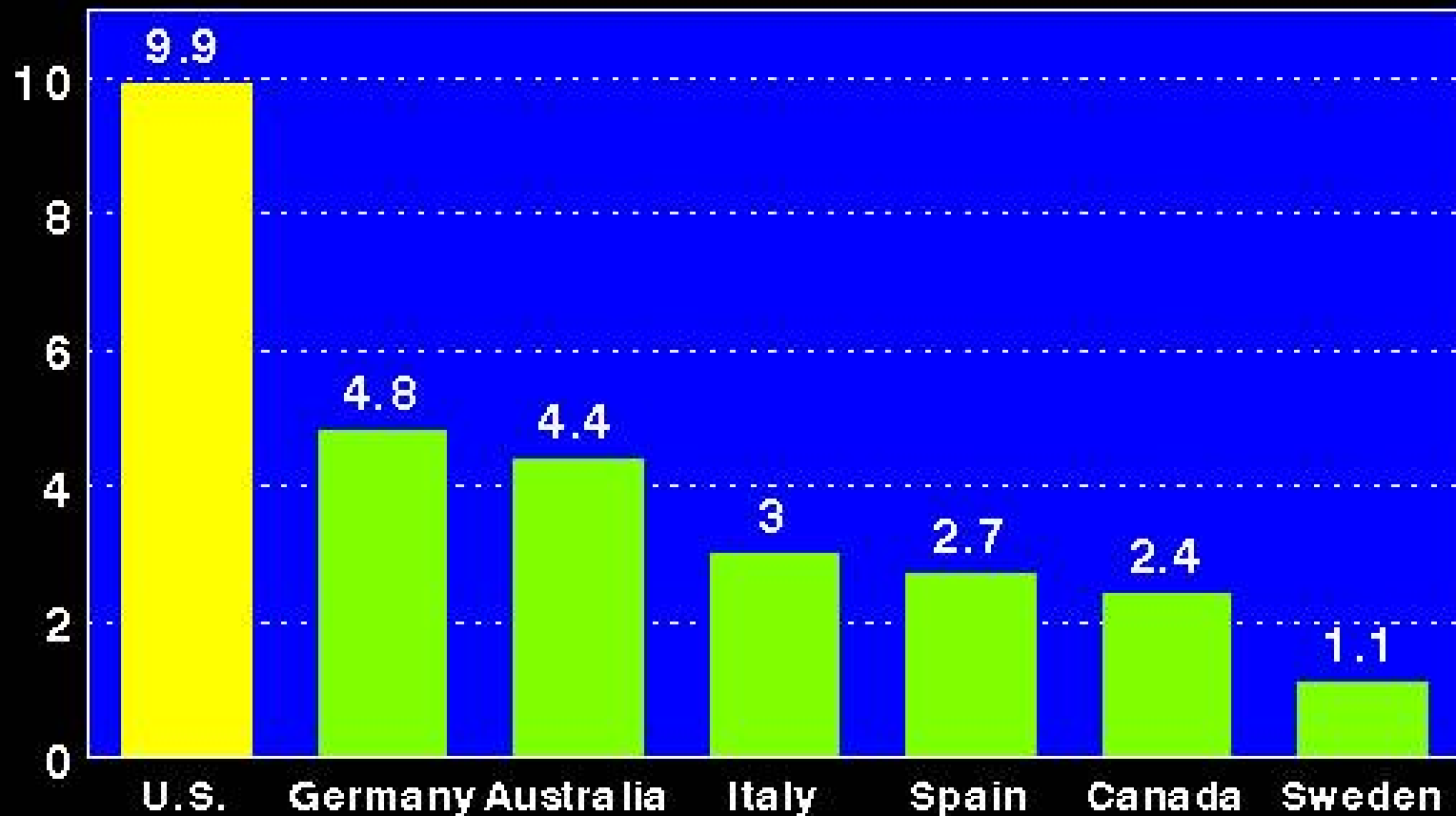
Infant Mortality, 1999

Deaths In First Year Of Life/1000 Live Bi



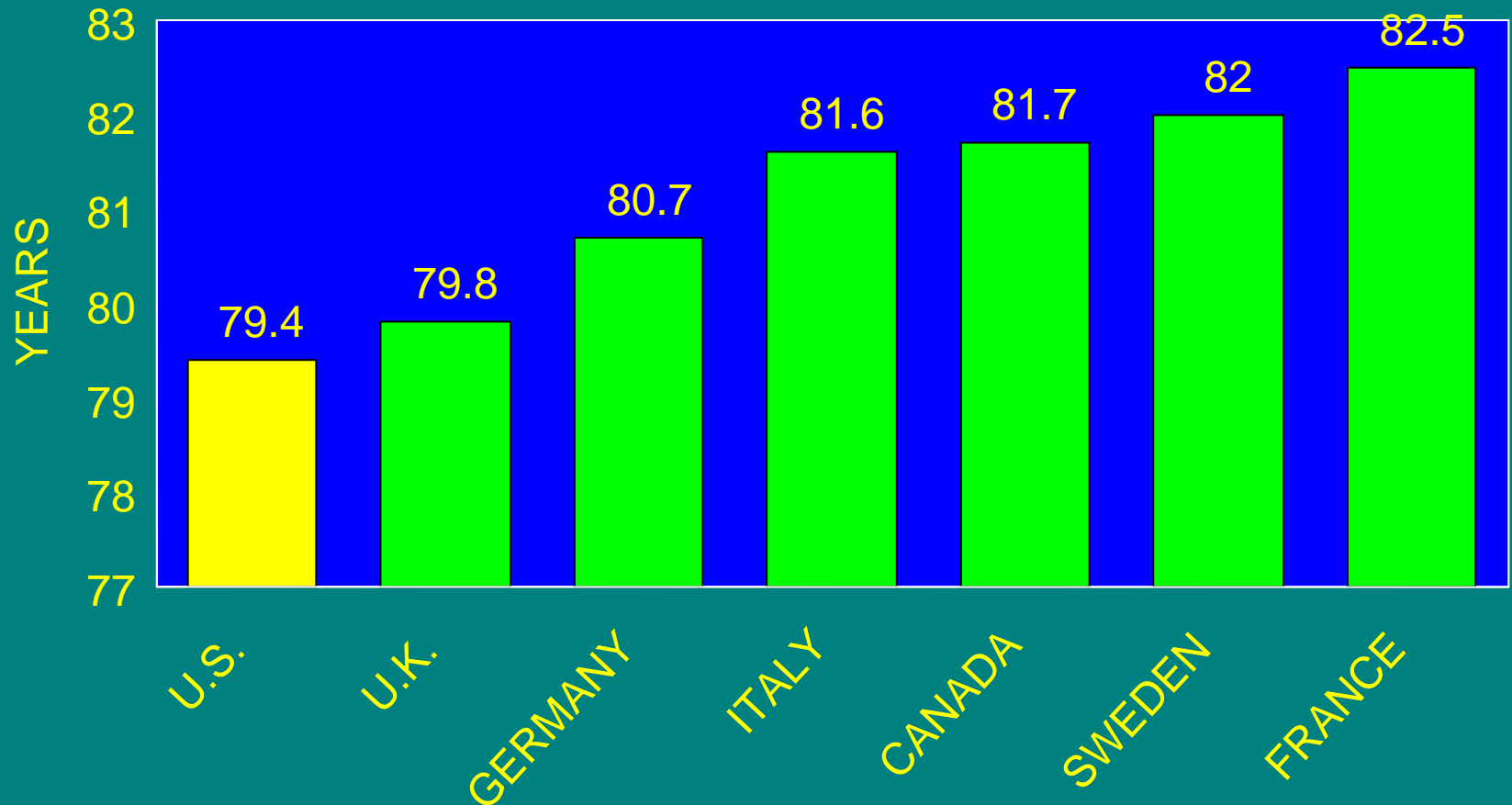
Maternal Mortality, 1999

Deaths/100,000 Births

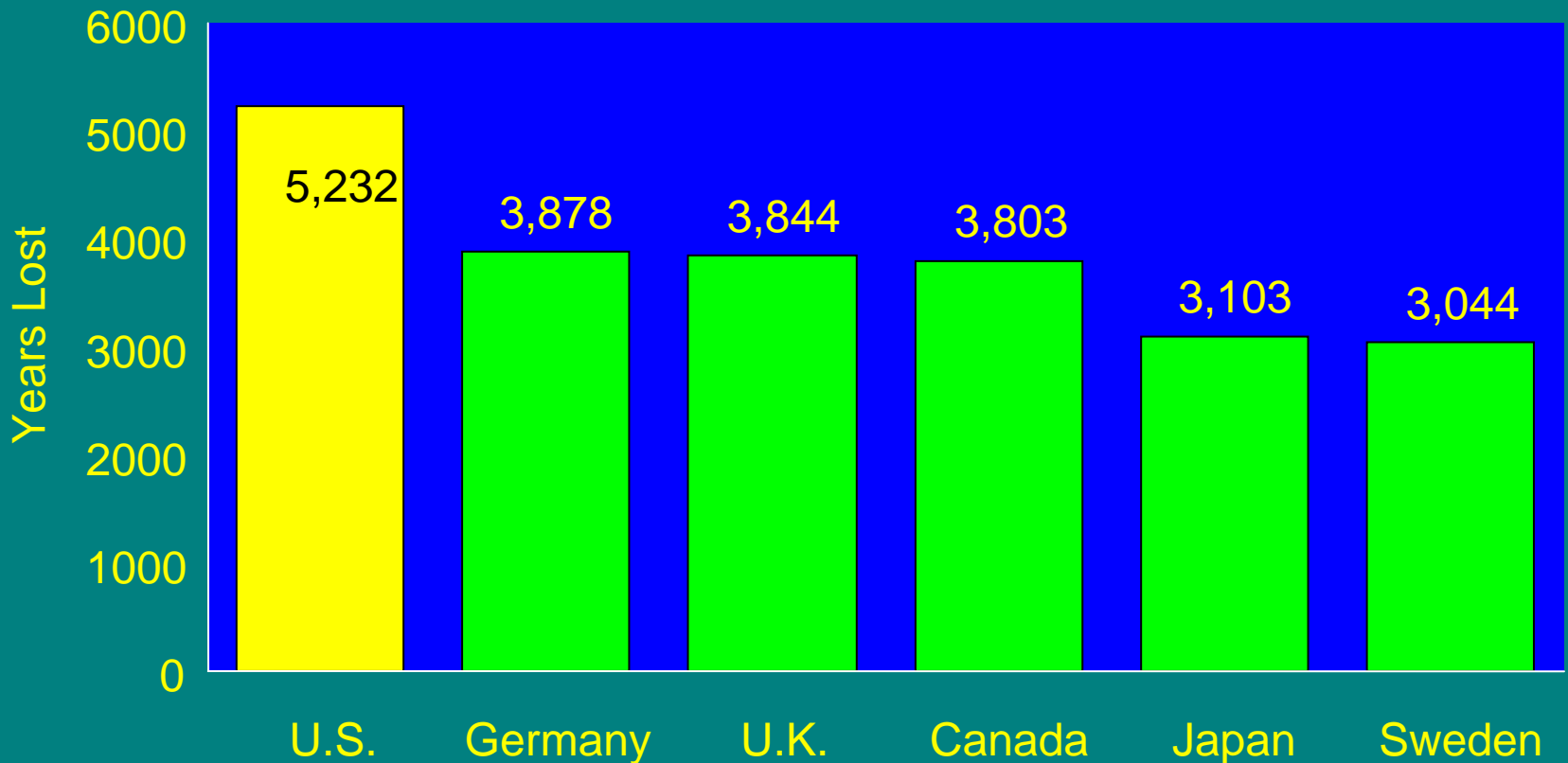


Source: OECD, 2002

Life Expectancy For Women, 1999

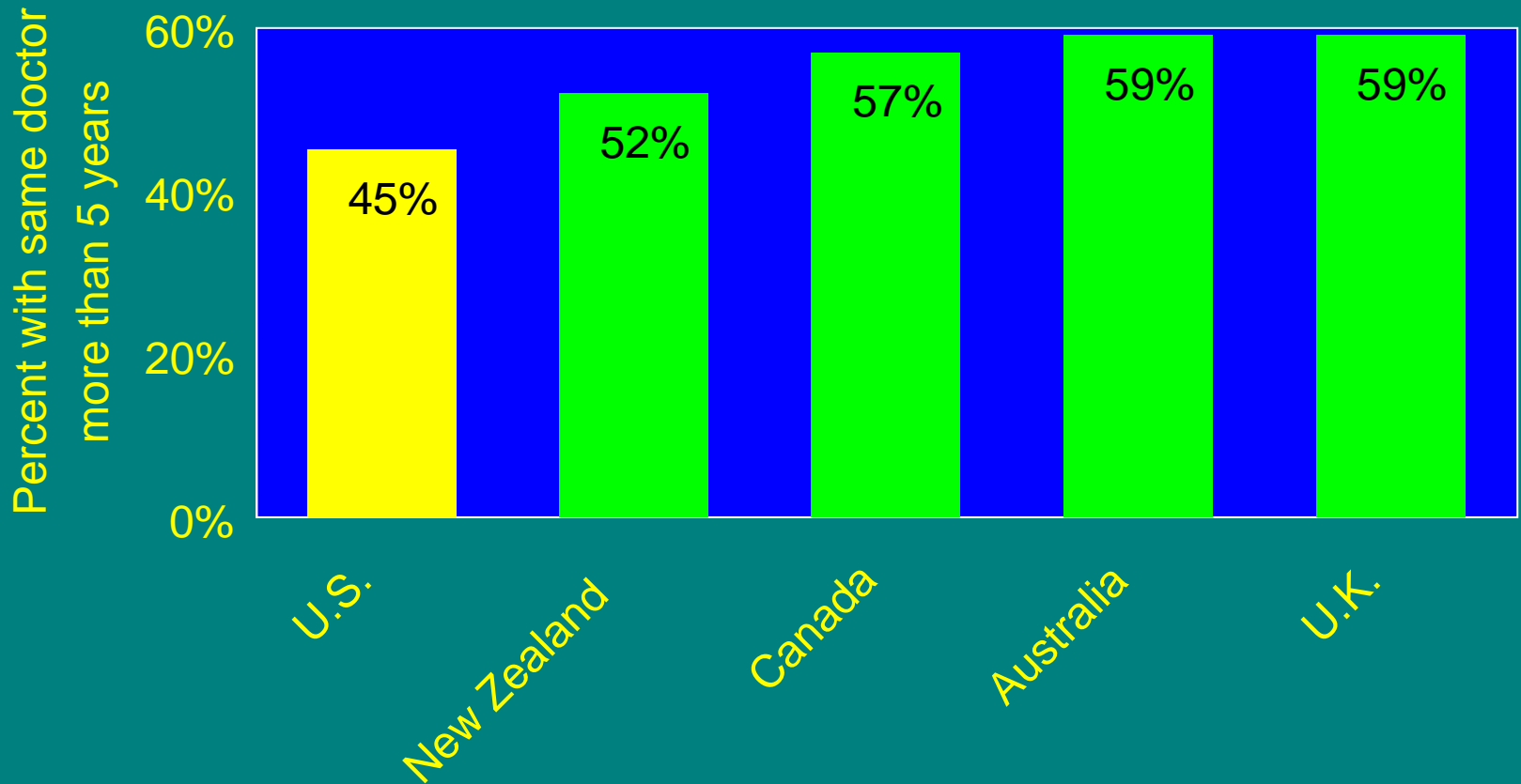


Potential Years of Life Lost per 100,000 People for All Causes, 1998/1999



Source: OECD, 2002- Data for Canada are for 1998

Continuity of Care



Corporate Social Responsibility?

“Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as possible.”

Milton Friedman, 1962

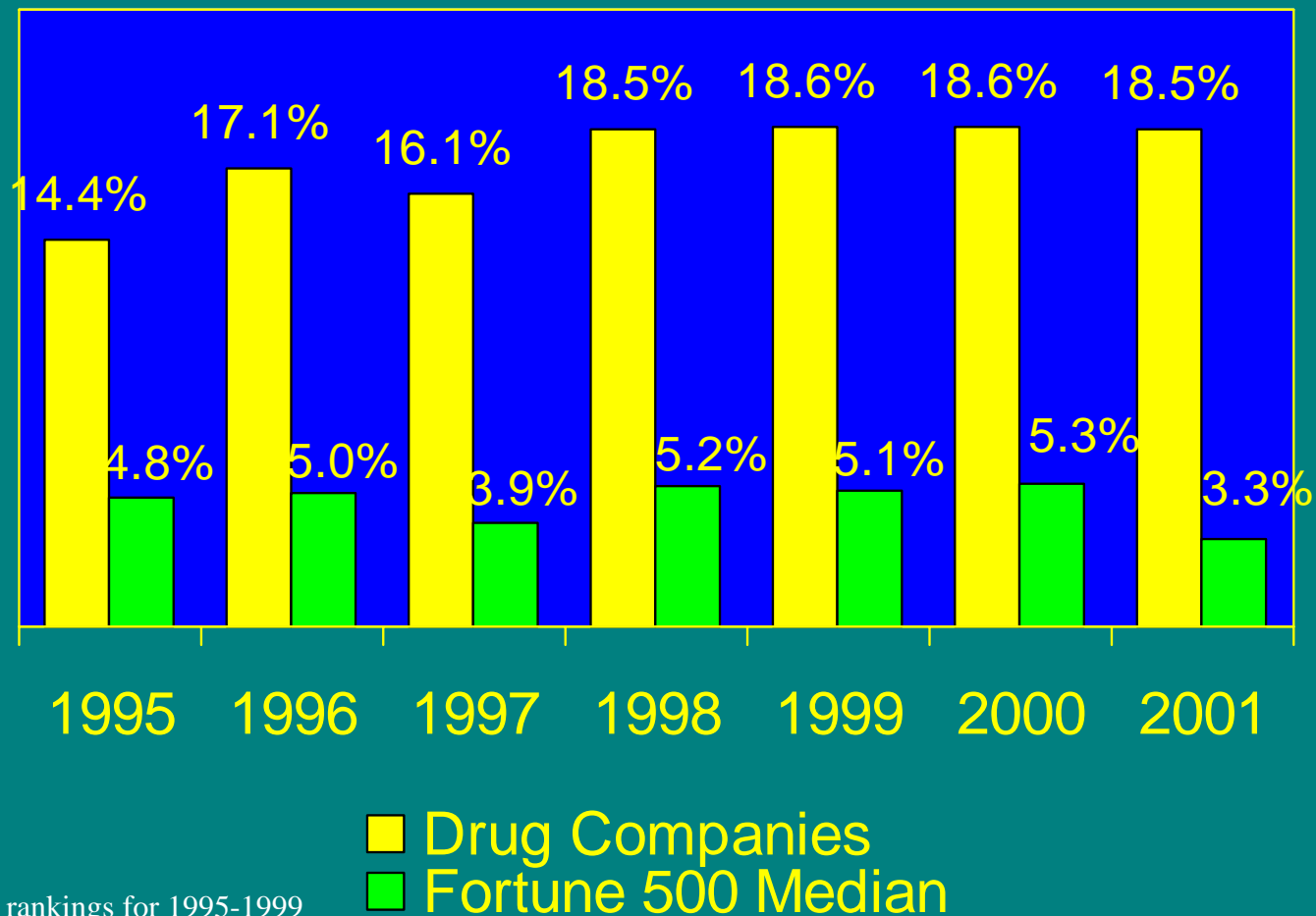
Profit-Driven Care Begets Fraud Recent Criminal and Civil Fines/Settlements

- NME (Tenet): \$683 million: Medicare fraud, patient abuse
- SmithKline, Corning, LabCorp: >\$800 million: billing fraud
- Caremark: >\$200 million: kickbacks/fraud, home IV business
- Fresenius/NMC: \$486 million: dialysis fraud
- Roche & BASF: > \$725 million: price fixing cartel
- Beverly: \$175 million: Nursing home fraud
- Noll: \$135 million: Suppressing research data on Synthroid
- TAP Pharmaceuticals - \$875 million: Kickbacks, Lupron
- Schering-Plough - \$500 million: Shoddy manufacturing
- Columbia/HCA: \$745 Million fraud, continuing investigation

Source: NY Times 7/30/97, 10/10/99, 11/3/99, 1/20/00, 2/4/00 5/18/02; Modern Healthcare 3/25/96, 3/3/97, 10/8/01; Nation 4/7/97; DHHS Insp. Genl.; CBS 60 Minutes 12/19/99

Drug Company Profits, 1995-2001

Return on Revenues (%)

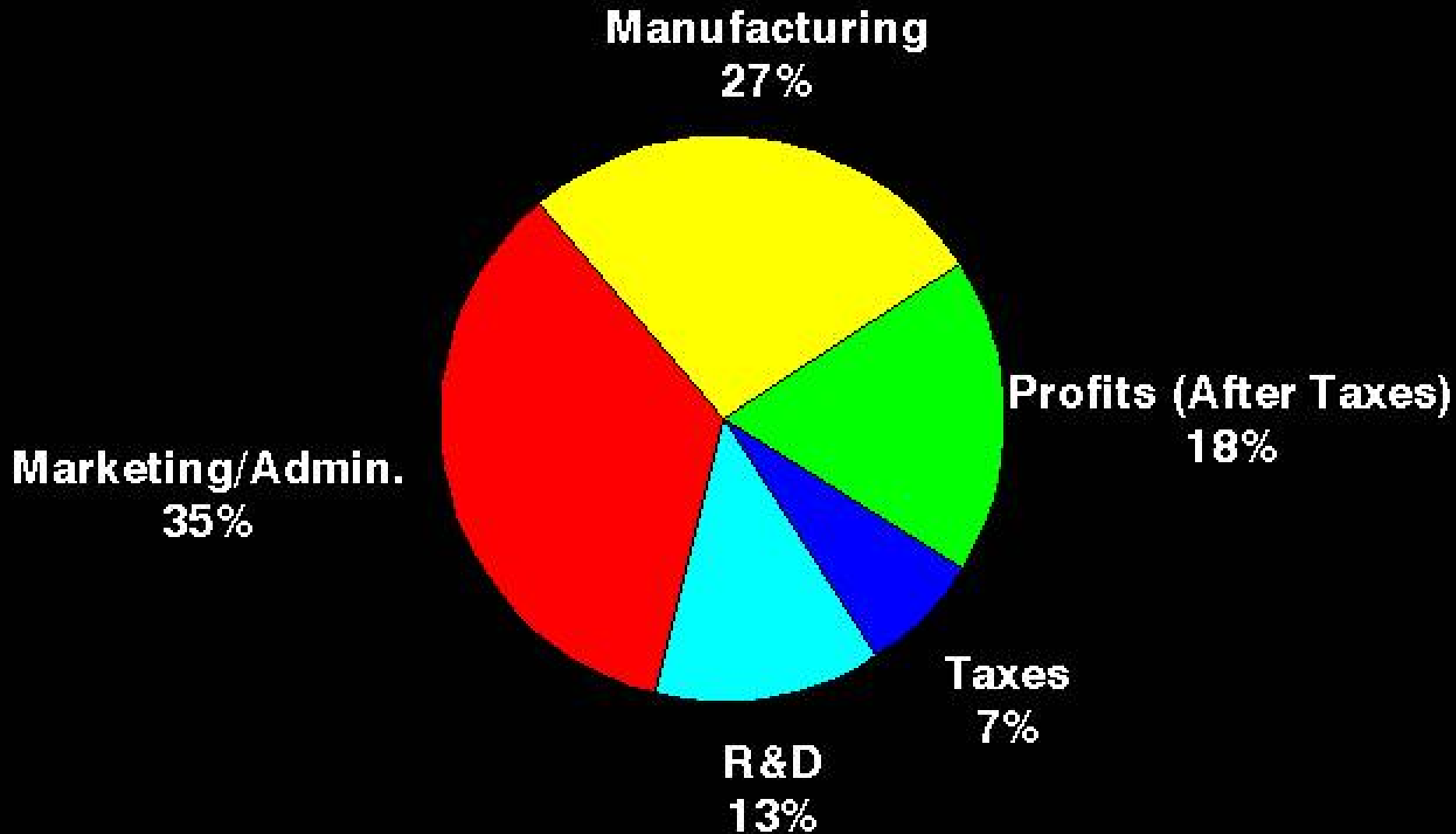


Source: Fortune 500 rankings for 1995-1999

Note: Pharmaceutical industry ranked first among all industry groups each year

Total drug company profits, 1999 = \$27.3 billion

Drug Companies' Cost Structure



Drug Company Sponsored Miseducation

- Spending for drug promotion (>\$10 billion/yr.) exceeds total medical student teaching costs
- The average MD meets with one of the 56,000 drug reps once a week
- Attending drug company-sponsored CME predicts worse prescribing
- 11% of drug reps' factual claims are false (all favorable) - 26% of MDs recognize even one falsehood
- 30% of journal drug ads falsely claim "drug of choice", 40% omit key side effect info

The Healthcare Americans Get

- 1/3 are uninsured or underinsured
- HMOs deny care to millions more with expensive illnesses
- Death rates higher than other wealthy nations'
- Costs double Canada's, Germany's, or Sweden's - and rising faster
- Executives and investors making billions
- Destruction of the doctor/patient relationship

The Healthcare Americans Want

- Guaranteed access
- Free choice of doctor
- High quality
- Affordability
- Trust and respect

How Do We Know It Can Be Done?

- Every other industrialized nation has a healthcare system that assures medical care for all
- All spend less than we do; most spend less than half
- Most have lower death rates, more accountability, and higher satisfaction

Harris Poll: "Government Should Provide Quality Medical Coverage to All Adults .

