

CRAWFORD
BROADCASTING
COMPANY



Executive Offices ■ P.O. Box 3003 ■ Blue Bell, PA 19422-0735 ■ (215) 628-3500

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Donald B. Crawford, President

THE STAND HEALTH COSTS

Spending on healthcare is estimated to reach the unbelievable sum of \$4 trillion per year. \$4 trillion!

Not a century, or half century away. But a mere decade. Healthcare costs will total some \$4 TRILLIONS DOLLARS by the year:

2015!

That adds up to the incredible sum of \$12,320 per person per annum. That means it will cost in excess of \$1,000 monthly, \$1,000 monthly for healthcare cost for every single person living in America! \$1,000 per month!

The number is shocking, incredible. There simply is no way to fathom the financial impact of such numbers on the American economy, American business, the American family, or you and me individually. Accept to say that growth in healthcare costs will outpace growth in wages, growth in inflation, and even growth in the US ECONOMY ITSELF! All of that is absolutely shocking!

Further, by the year 2015, one in every \$5.00 spent in the United States will be spent in pursuit of things medical. One in every \$5.00 will be spent on HEALTHCARE COSTS! Such sobering data reflects the affect of aging baby boomers, who will add, as they age, to the elderly in America who will be in need of much greater care and attention.

The unbelievable cost of \$4 trillion will also reflect the gigantic cost of the Medicare prescription drug benefit (Medicare Part D) and related Medicare costs and increases which will grow dramatically. All such costs will be compounded, and become more and more the responsibility of individual citizens because of the decline of insurance coverage, the dash of co-pay insurance premiums with employees taking more and more responsibilities for cost and coverage, and in many cases, the actual loss of insurance coverage all together. There seems to be no end to the inflationary factor when it comes to the cost of healthcare. It goes nowhere but UP!

Further, the costs of medical services, including doctors fees, hospital charges and the like are skyrocketing. The cost of surgeries, specialized prescription drugs, retirement and convalescent care among many other factors continues to rise each year at startling rates. There is also the adverse effect of litigation, lawsuits, huge jury awards for damages, pain and suffering, and most

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importantly, negligence and malpractice, which greatly increases the cost of healthcare goods and services rendered to the individual, whether directly because of such damages or indirectly because of insurance fees charged to practitioners, caregivers and the like, at every level. It is a frightening, extremely frightening problem!

Think about that one more time. In the year 2005, the average person would spend approximately \$6,600 on healthcare costs in the year 2015, the average person will spend some \$12,400 per person on healthcare costs. An increase of virtually 100%! That means, quantitatively, that total health spending will grow some 7.2% per year for the next 10 years, more than 2 percentage points faster than projected growth in the American gross domestic product, which is the total value of goods and services in our country! That is also a shocking statistic. As the costs rise, fewer people will be able to afford healthcare, especially the poor. That means more people will be uninsured, or only partially insured, and their healthcare costs must then be provided by the government, federal, state and local. The tax burden, in addition to direct costs will be greatly increased resulting in more payments by Americans. You can be certain that the amount of money invested in Medicare and Medicaid will increase proportionately, almost geometrically. For example, Medicare costs were some \$335 billion in 2005, and it is projected that all such costs will be almost \$800 billion in the year 2015! \$800 billion! Total spending by state and federal governments for Medicaid are projected to jump from \$450 billion in 2005 to \$904 billion in 2015. Hang on to your wallets, here comes the tax man! And, in addition to increased taxes, you can be certain there will be benefit reductions in both Medicare and Medicaid. There just simply is no other alternative.

Scary, isn't it? Killer diseases are rampant. There is increase in virtually every major disease, whether cardiovascular, cancer and the like. There are the possibilities of epidemics (bird flu), and with the worlds growing population, more problems than ever with sanitation, germ and bacteria spread, and lack of vital medical services and drugs. It is therefore absolutely critical that we the people pay close and critical attention to this potentially disastrous matter and work with maximum creativity to first understand the problem, its incredible complexity, and then in continuous, sophisticated and mature fashion, work to solve it. In actuality, there is no one solution, but there must be many, many different approaches to solving the problem, controlling costs, and at the same time, providing people with the goods and services they truly need to live healthy lives.

HEALTHCARE COSTS. They may well turn out to be the most important part of our lives for the long term, and for our BUDGETS, our government's budget, and our very own!

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