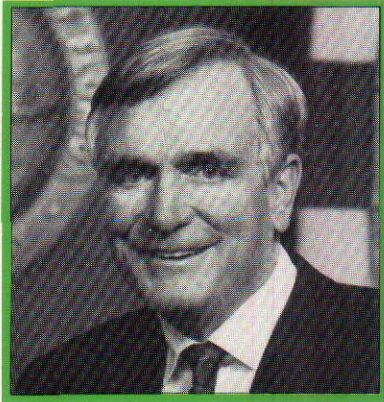


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Why Reform Health Care? It's Simple, Folks



by Florida Gov. Lawton Chiles

America spent 9.1 percent of its gross domestic product (GDP) on health care in 1980. By the year 2000 health care costs are projected to eat up 16.4 percent of our GDP. Why reform our health care system? As Ross Perot would say, "It's simple, folks."

In her new book, "Reviving the American Dream," Alice Rivlin estimates that the United States would save \$4 trillion between now and 2000 if we could simply hold increases in health care costs to the same percentage of GDP as that of our competitors like Germany and Japan.

In Florida alone, we estimate savings of \$131 billion over a 10-year period if we just keep the state's health spending as a percentage of gross state product (GSP) constant. Left unchecked, the state's health care bills will triple from \$31.4 billion in 1990 to more than \$90 billion at the turn of the century.

What kind of return does the United States get on this \$4 trillion "health care tax"? Not much when measured against

Germany and Japan where access to health care is guaranteed for all citizens. By contrast, 37 million Americans are without health insurance today, including 2.5 million Floridians.

Imagine how we could put that \$4 trillion tax to better use: Eliminating the national debt? Rebuilding our infrastructure? Improving our schools? Protecting the environment? Take your pick. It's that simple, folks.

The health care tax has been particularly cruel to businesses and their employees. In 1984 the average health care cost per employee was \$1,645. Seven years later, in 1991, that figure had more than doubled to \$3,605. In many ways, companies that provide health benefits are at a competitive disadvantage with those that don't. Skyrocketing costs are taking a bigger bite out of the bottom line and causing profits to erode.

I once subscribed to the school of thought that access to health care for our citizens could not be provided without *Please see Chiles, page 4.*

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U.S. Health Care Spending as a Percentage of GDP (In Billions)

