

The Cost of Failure to Enact Health Reform: 2010 - 2020

Effect on the Number of Uninsured and the Cost of Uncompensated Care

In a report from the [Robert Wood Johnson Foundation](#), analysts at the [Urban Institute](#) used their Health Insurance Policy Simulation Model to assess the changes in coverage patterns and health care costs that would occur nationally from 2010 to 2020 in the event that major reforms are not enacted. The study examined three alternative scenarios:

1. **Worst case** – continuing high levels of unemployment; slow growth in incomes; high growth rates for health care costs;
2. **Intermediate case** – somewhat faster growth in incomes, but a lower growth rate for health care costs; and
3. **Best case** – full employment; faster income growth; even slower growth in health care costs.

Under all three economic scenarios, the analysis finds that the number of uninsured Americans would continue to rise, and the cost of uncompensated care would skyrocket. Specifically, the researchers explored the following questions on the effects that failure to reform the health care system would have on the number of uninsured:

How many people would be uninsured in 2015 and 2020?

- **The number of uninsured would rise significantly.** In the worst case scenario, the number of uninsured Americans would increase from 49.4 million in 2010 to 59.7 million in 2015, and 67.6 million in 2020. Nearly one in four Americans under age 65 would be uninsured in 2020. In the best case the number of uninsured grows to 54.0 million in 2015 and 57.9 million in 2020, approximately one in five Americans under age 65. All of these estimates assume that states would continue to maintain current eligibility levels for public coverage. If they were to cut back eligibility or make the enrollment process more difficult, the number of uninsured would be even higher.

How would the cost of uncompensated care change over time given changes in the number of uninsured?

- **Uncompensated care costs would more than double.** The cost of uncompensated care would increase from \$64 billion in 2010 to \$140 billion in 2020. In the best case, the cost of uncompensated care would increase by 74 percent and total \$111 billion in 2020. Together with increased spending Medicaid and CHIP, this would mean higher federal, state, and local taxes even without reform.

For more information or to read the full report, log on to www.rwjf.org/reform.