



**Consumers for  
AFFORDABLE  
Health Care**

*Advocating the right to quality, affordable  
health care for every man, woman and child*

# News Release

**EMBARGOED FOR RELEASE: 10 a.m. October 15, 2008**

Contact: Cherilee Budrick  
207-622-7083 X 211  
cbudrick@mainecahc.org

39 Green Street  
Post Office Box 2490  
Augusta, ME 04338-2490

Tel: 207 / 622 – 7045  
Fax: 207 / 622 – 7077  
E: [consumerhealth@mainecahc.org](mailto:consumerhealth@mainecahc.org)  
Web: [www.mainecahc.org](http://www.mainecahc.org)

## Maine Health Care Costs Rising Five Times Faster Than Our Pay

### Report Finds Premiums Rose 89.7% While Earnings Rose Only 16.8% from 2000-2007

**Augusta** – A new report out of Washington D.C. shows an alarming trend. The report by consumer health organization, Families USA, shows that our health care costs are going up more than five times faster than our paychecks. It’s something most Maine families likely won’t be able to keep up with. As Maine’s largest consumer health organization, Consumers for Affordable Health Care (CAHC), is concerned that this is going to end up forcing more Maine families into bankruptcy and into the ranks of the uninsured.

“We’ve staffed a consumer health care HelpLine at CAHC for more than ten years now. Every year the number of Mainers seeking our help to guide them through our confusing health care system has grown. We’ve already helped more than 10,000 Mainers since we began this crucial service. But this year, we’re already seeing at least a 35% increase in calls over this time last year. This is proof that our families are struggling more than ever to afford their health care. And usually they are getting much fewer benefits from those increased costs,” says CAHC Communication Coordinator, Cherilee Budrick.

The Families USA report shows Maine family health care premiums rose an estimated 5.4 times faster than earnings for Maine’s workers from 2000 to 2007. In that eight-year period, family health care premiums rose by 89.7 percent while median earnings rose by only 16.8 percent. This report updates its 2006 report, which was the first of its kind to document these changes on a state-specific basis.

	<b>2000</b>	<b>2007</b>	<b>% of Increase</b>	<b>Amount of Increase</b>
<b>Median Income for Maine</b>	\$22,163	\$25,876	16.8%	\$3,713
<b>Average Family Plan Premium *</b>	\$6,915	\$13,117	89.7%	\$6,202

\*Premiums amounts based on average cost for family health coverage provided through Maine workplaces.

The new report shows the increases in insurance premiums occurred despite plans covering less for workers. Often the more expensive plans offered fewer benefits and/or came with higher deductibles, copayments, and co-insurance. As a result, Maine families are paying more but receiving less in health care coverage. And, fewer small businesses are able to afford to provide coverage to their workers.

(MORE ON NEXT PAGE)

“Dirigo Health is one of the only options for people who need insurance premiums that are geared to their income. However, opponents have stymied efforts to expand coverage and funding for that important program. This report makes clearer than ever the need to grow programs like Dirigo,” said Joseph Ditré, Consumers for Affordable Health Care Executive Director.

The report concludes that the combination of higher health costs and slow wage growth is forcing more Maine families into the ranks of the uninsured and underinsured. About 118,000 non-elderly Mainers are uninsured. That means about 10.5 percent of our non-elderly residents in this state don’t have insurance.

“Health care costs were a problem in Maine before the current economic downturn, and slow wage growth or job losses now only make matters worse,” said Ron Pollack, Families USA Executive Director. “As health care becomes less and less affordable, Mainers face difficult choices in trying to provide health coverage for themselves and their families. A bad situation is clearly growing worse. This is just one more reason why health care is going to be one of the top issues on the minds of voters when they go to the polls in November.”

**More Report Findings:**

**EMPLOYER CONTRIBUTION INCREASES**

	<b>2000</b>	<b>2007</b>	<b>Percent of Increase</b>	<b>Amount of Increase</b>
<b>Family Plan</b>	\$4,931	\$9,234	87.3%	\$4,304
<b>Individual Plan</b>	\$2,201	\$3,801	73.1%	\$1,609

**WORKER CONTRIBUTION INCREASES**

	<b>2000</b>	<b>2007</b>	<b>Percent of Increase</b>	<b>Amount of Increase</b>
<b>Family Plan</b>	\$1,984	\$3,883	95.7%	\$1,899
<b>Individual Plan</b>	\$435	\$1,138	161.6%	\$703

Using information from the report, the above charts show us that while everyone is getting hit hard, it is the workers of Maine that are feeling it most. According to the report, these fast-rising health care costs are causing increasing numbers of people to go into debt. The report cites a study that indicates more than half of people claiming bankruptcy were forced to do so because of astronomical health care costs. And, most of them had insurance.

The Families USA report is based on data from the U.S. Census Bureau, the U.S. Department of Labor, and the U.S. Department of Health and Human Services.

A copy of this report and the methodology are available at <http://www.familiesusa.org/assets/pdfs/premiums-vs-paychecks-2008/maine.pdf>

If you need help figuring out if you qualify for public insurance programs or other coverage options, Consumers for Affordable Health Care’s **toll free HelpLine** can be a great resource for you at **1-800-965-7476**.

###

**For more information or to schedule interviews contact:**

Cherilee Budrick  
 Communications Coordinator- C.A.H.C.  
 207-622-7083  
[cbudrick@mainecahc.org](mailto:cbudrick@mainecahc.org)