

## PRESS RELEASE

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### **HEALTH CARE PREMIUMS ROSE 5.4 TIMES FASTER THAN EARNINGS IN MAINE FROM 2000 TO 2007**

*Maine-Specific Report Finds that Premiums Rose by 89.7 Percent While Earnings Rose by Only 16.8 Percent*

**Washington, D.C.** – Family health care premiums rose an estimated 5.4 times faster than earnings for Maine’s workers from 2000 to 2007, according to a report issued today by the consumer health organization Families USA. In that eight-year period, family health care premiums rose by 89.7 percent while median earnings rose by only 16.8 percent.

The Families USA report for Maine updates its 2006 report, which was the first of its kind to document these changes on a state-specific basis. Among the key findings in the new report are:

- For family health coverage provided through the workplace in Maine, annual health insurance premiums in the 2000-2007 period rose from \$6,915 to \$13,117—an increase of \$6,202, or 89.7 percent.
- Between 2000 and 2007, the median earnings of Maine’s workers increased from \$22,163 to \$25,876—an increase of \$3,713, or 16.8 percent.

According to the report, the disproportionately high increases in insurance premiums occurred despite the provision of “thinner coverage” to workers – coverage that offers fewer benefits and/or that comes with higher deductibles, copayments, and co-insurance. As a result, Maine families are paying more but receiving less in health care coverage.

The Families USA report concludes that the confluence of higher health costs and slow wage growth is causing a growing number of Maine families to join the ranks of the uninsured and underinsured. The number of non-elderly uninsured people in Maine is approximately 118,000, which is 10.5 percent of the non-elderly population.

“Skyrocketing 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, Executive Director of Families USA. “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.”

(more)

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## Health Care Premiums

Page 2

The key findings in the report provide data concerning premiums for family health coverage as well as individual coverage. They also break out the premium costs paid by employers and those paid by employees. The key findings include:

- For *family* health coverage in Maine, the *employer's* portion of annual premiums in the 2000-2007 period rose from \$4,931 to \$9,234—an increase of \$4,304, or 87.3 percent.
- For *family* health coverage, the *worker's* portion of annual premiums rose from \$1,984 to \$3,883—an increase of \$1,899, or 95.7 percent.
- For *individual* health coverage, the *employer's* portion of annual premiums rose from \$2,201 to \$3,810—an increase of \$1,609, or 73.1 percent.
- For *individual* health coverage, the *worker's* portion of annual premiums rose from \$435 to \$1,138—an increase of \$703, or 161.6 percent.

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 found that more than half of bankruptcies are now due, at least in part, to problems with medical costs.

“If this troubling trend continues, the health care affordability crisis will get much worse and many more Mainers will become uninsured and underinsured,” said Pollack. “If earnings continue to lag behind fast-rising health care costs, Mainers will face diminishing economic and health security.

“In their daily efforts to make ends meet – particularly in these difficult economic times – families in Maine know that health care is one of the top issues facing our nation. 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.”

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>

-30-

*Families USA is the national organization for health care consumers. It is a nonprofit, nonpartisan organization that advocates for high-quality, affordable health care for all Americans.*