

House Committee on Ways and Means

Statement of Richard Kirsch, National Campaign Manager, Health Care for America NOW!

Testimony Before the Full Committee
of the House Committee on Ways and Means

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Good morning, Chairman Rangel, Chairman Stark and members of the Committee. My name is Richard Kirsch. I'm the National Campaign Manager of Health Care for America Now, a coalition of more than 1,000 organizations in 46 states that are committed to specific principles to provide a guarantee of quality, affordable health care for all. Those principles have been endorsed in writing by the President of the United States and 196 members of Congress, including 176 members of the House of Representatives from both parties.

I am so pleased to join you this morning because the legislation you have drafted meets those principles; it would deliver on the promise of quality, affordable health care for all in a health care system that is retooled to deliver better quality at lower cost. You have done so in this unique, tri-committee process that recognizes the urgency and historic imperative of this issue.

Our current health care system is a huge stumbling block to the American Dream. No matter how hard we work, or make responsible choices for ourselves and our families, our health care system often gets in the way. For too many families, one serious illness can mean financial disaster, as medical costs contributed to more than three-out-of-five personal bankruptcies, and the great majority of those are people who are insured. Even having good insurance limits choices and defers dreams. Want to look for a new job, start that new business, retire at 59? Trapped because you won't be able to get affordable coverage - if you can coverage at all.

And of course, so many working families can't afford coverage at all.

Neither can many small businesses – that other engine of the American dream - who want to do the right thing for their employees, but can't as health care premiums skyrocket every year.

The good news is that we can fix what is wrong with the system with a uniquely American solution. For those who say we can't do this, it's too complicated, it's too much to take on, it's too much at once your legislation is proof positive that yes we can.

As Americans begin to pay attention to the health care debate they are asking what does this mean to me. Here's how I would explain to people how this works and why it will make their lives better.

If you have good health coverage at work you can keep it. But there will be two important changes. Under your legislation, you will no longer have to worry about your coverage at work getting skimpier every year, or your employer taking a bigger chunk each year out of your paycheck. Your employer coverage will not be bare-bones. It will cover most of your health care. It won't stop paying if you get seriously ill. Your job will pay for a good share of coverage for you and your family.

One more thing, whatever job you take, you'll have good health care. That's because all employers will either provide coverage or help pay for it.

If you don't get health coverage at work, you work several part-time jobs, are self-employed, an early retiree, or simply out of work - you'll now be able to get, good, affordable coverage. You won't be turned down because of a pre-existing condition or charged more because you've been sick or you're a woman of child bearing age. You can still be charged more if you are older, but only so much.

How much will it cost? The amount you pay will be based on your earnings and the size of your family, with assistance for low, moderate and middle income families.

To get insurance you'll go to a new market-place, called an exchange, one-stop shopping for health coverage. All plans will have a decent level of benefits and play by the same rules. No matter which plan you choose, your out-of-pocket costs will be limited; no more catastrophic medical bills.

You'll have a choice of a new public health insurance plan too, so you won't be limited to the same private insurance companies that have a record of denying and delaying care while they raise premiums three or four or five times more than wages.

As the President says, there are two reasons for offering the choice of a public health insurance plan. The first is to lower costs from a plan that doesn't pay the average CEO \$12 million a year, or have sky-high administrative costs. The mission of the public health insurance plan will be to drive the kind of delivery system changes we need to innovate, provide better value and invest in our communities' health. A plan that will inject competition into the 94% of markets in this country that are anti-competitive under Department of Justice standards.

The second reason the President says we need a public option is to keep insurance companies honest. The 93% of Americans who don't trust private insurance companies know that no matter how much we regulate them their first order of business – actually their legal, fiduciary responsibility to their share holders – is to make a buck; when they pay for someone's costly care, their profits go down.

An additional reason for the public health insurance plan is to ensure that we make real progress in eliminating the barriers and disparities in access to needed services that are too often experienced today.

Poll after poll shows strong support for the choice of a public health insurance plan. This Sunday the New York Times/CBS poll found that 72% of those polled support “offering everyone the choice of a government-administered plan health insurance plan – somewhat like the Medicare coverage that people 65 and older get – that would compete with private health insurance plans,” including half of the Republicans, three-fourths of the independents nine-out-of ten Democrats.

This legislation also answers the crying needs of small business for affordable coverage. By offering tax credits and allowing small businesses to enter the exchange, it gives them the advantage of a large pool and lower costs.

To the question of how we will pay for this, you have said with shared responsibility: individuals responsible for what they can afford, employers responsible for paying for more affordable coverage. Government will fulfill its responsibility by achieving savings in the system and by raising new revenues that you will soon detail. In doing so, we would urge you to raise revenues from those who can most afford it and by closing Wall Street and corporate loopholes. Not by taxing the health care benefits of those who still are fortunate enough to have good insurance.

Your legislation does a great deal more, for the poor through Medicaid, for seniors on Medicare, to address the lack of primary care providers and the disparities in access to health care.

Are there ways we would improve on this draft? There are, although not a great number. We will detail them in our written testimony and I'd be glad to discuss some suggestions during the question period.

I'd like to conclude by asking you to keep in mind one question over the coming weeks, as you hear from a myriad of interest groups complaining about this and that. It's the question that your constituents will ask at the end of the day: will I have a guarantee of good coverage I can afford?

The draft legislation you've presented answers with a resounding yes. And if the answer remains yes next fall when you send a bill to the President for his signature, you'll have done your jobs. And in doing so, made history. Thank you.