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July 15, 2009

Members of the Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I urge you to support the America's Affordable Health Choices Act (H.R. 3200) and reject any amendments offered during the markup that would weaken the bill. This legislation is consistent with President Obama's principles and goals for health care reform as it builds on our employer-based system, allows people to keep their current health insurance if they like it, expands coverage dramatically and provides for fundamental reforms that address health care costs, affordability and quality.

This legislation will make health care more affordable for millions of Americans by significantly slowing the growth in health care costs. These savings will accrue due to several policy reforms contained in the bill, including the creation of a regulated Health Insurance Exchange and a robust public health insurance option that will expand choice and compete with private insurance companies. Other provisions that will promote affordable coverage include caps on annual out-of-pocket spending, and sliding scale affordability credits.

H.R. 3200 will also expand health insurance coverage to an estimated 97% of Americans, moving our country very close to our goal of coverage for all. It calls for shared responsibility among the government, employers and individuals to reach this near-universal coverage. We strongly support the federally-funded Medicaid expansion, the "pay or play" provisions for employers, and the affordability credits for low- and middle- income individuals. We also strongly support inclusion of a temporary reinsurance program for employers that are providing retiree health coverage for those aged 55-64. Expanded coverage will provide families with peace of mind, bring down costs, and improve the health of the currently uninsured.

The bill also requires long-overdue insurance market reforms. These include prohibiting insurance companies from refusing coverage based on health status, setting rates based on health status or gender, or establishing lifetime or annual limits on benefits.

American Federation of State, County and Municipal Employees, AFL-CIO
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AFSCME also applauds the progressive approach taken in H.R. 3200 to raising revenue to pay for health care reform. The surcharge on the top 1.2% of wage earners comports with President Obama's pledge not to increase taxes on the middle class. And, we strongly support savings through the elimination of overpayments to private Medicare Advantage plans.

Retaining the health care status quo is not an option. AFSCME stands with you and offers our full support for H.R. 3200. We urge all committee members to oppose any amendments that would weaken the bill and to vote in favor of this historic legislation.

Sincerely,

Charles M. Loveless
Director of Legislation

CML:fbb