

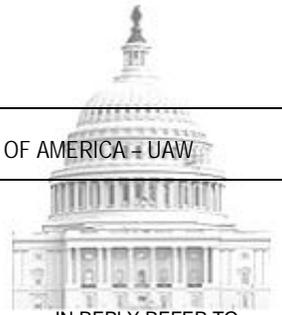


INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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IN REPLY REFER TO

July 15, 2009

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Hon. Henry Waxman, Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Bldg.
Washington, D.C. 20515

Hon. Charles Rangel, Chairman
Committee on Ways and Means
1102 Longworth House Office Bldg.
Washington, D.C. 20515

Hon. George Miller, Chairman
Committee on Education and Labor
2181 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Chairmen Waxman, Rangel and Miller:

This week the Committees on Energy and Commerce, Ways and Means, and Education and Labor are scheduled to mark up H.R. 3200, "America's Affordable Health Choices Act of 2009." The UAW strongly supports this critically important health care reform legislation. We urge all three Committees to give prompt approval to this measure.

The UAW applauds the tremendous efforts by the three Committees to craft a common health care reform bill that meets the principles set forth by President Obama and the labor movement. This legislation will fix America's broken health care system by ensuring that all Americans have access to quality, affordable health care. It will do this by building on what works, allowing Americans to keep their existing health care coverage if they like it, while offering expanded options for individuals and businesses that need new mechanisms for obtaining quality, affordable coverage. At the same time, this legislation will reduce the growth in health care spending, lowering costs for individuals, employers and government at all levels. This will help individuals get access to health care, improve the competitiveness of businesses, and address the long term fiscal challenges facing our state and federal governments.

Access to Care

H.R. 3200 will assure that 97% of Americans are covered by quality, affordable health insurance coverage. This will extend coverage to 37 million Americans who currently lack any health insurance coverage. It will also ensure that the majority of Americans who currently have health insurance coverage will no longer have to fear that this vital protection could be lost if they lose their jobs or their companies go bankrupt. The legislation achieves nearly universal health care coverage by:

- preserving and expanding the present system of employer-based health care coverage;
- reforming the insurance market so individuals can no longer be denied coverage because of pre-existing conditions or other discriminatory practices;
- establishing a national Health Insurance Exchange to facilitate coverage of individuals and small businesses; and
- expanding Medicaid to provide coverage for more low income individuals.

Affordability

H.R. 3200 also guarantees that health insurance coverage will be affordable for all Americans by:

- requiring employers to contribute to the cost of health care coverage either through employer-sponsored plans or coverage provided through the Exchange;
- providing affordability credits to individuals up to 400% of the poverty line to reduce premiums and cost-sharing to levels that ensure access to care; and
- capping out-of-pocket spending under all health care policies, and limiting the ability of insurance companies to charge higher rates due to health status, gender, age and other factors.

Reducing Costs

H.R. 3200 will reduce costs for individuals, employers and government through a number of essential reforms, including:

- eliminating the burden of uncompensated care that now imposes a heavy tax on employers and individuals who currently have coverage;
- reforming the delivery and provider payment systems under Medicare and more broadly;

- reducing administrative costs, fraud and waste through the Exchange and reforms to Medicare; and
- establishing a strong public health insurance option within the Exchange to ensure there is adequate competition with private insurance carriers in all areas of the country.

Improving Quality

H.R. 3200 will improve the quality of health care for Americans by:

- preserving the right of Americans to choose their doctor and hospital, while expanding their choice of health care plans;
- expanding prevention and wellness programs, and prohibiting cost sharing for preventive services; and
- investing in the health care workforce, including more training and other incentives for primary care physicians.

Helping Seniors

H.R. 3200 will significantly improve health care for retirees through:

- Medicare reforms that expand low-income subsidies and eliminate the “donut hole” in the Part D prescription drug program; and
- the establishment of a temporary catastrophic reinsurance program for employers and VEBA that provide health care coverage to pre-Medicare retirees (ages 55-65), which will encourage the continuation of coverage for this vulnerable population.

Equitable Financing

The costs of the reforms in H.R. 3200 are fully paid for by:

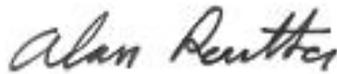
- reforms that will reduce spending on Medicare and Medicaid by over \$500 billion, including eliminating wasteful payments for Medicare Advantage plans; and
- a small surtax on the wealthiest 1.2% of Americans.

Significantly, HR. 3200 will NOT impose any tax on workers' health care benefits. The UAW applauds the Committees for rejecting punitive, counterproductive proposals to tamper with the present tax exclusion for employer-provided health care benefits. These proposals would have imposed a huge tax increase on many working families, including a disproportionate burden on older, sicker workers. They also would have undermined employer-sponsored health care plans that currently cover the majority of Americans.

For all of the foregoing reasons, the UAW strongly supports H.R. 3200, "America's Affordable Health Choices Act of 2009." In our judgment, this bill represents an historic opportunity to provide quality, affordable health insurance coverage to all Americans. It will ensure that all Americans have access to health insurance coverage; guarantee that this coverage will be affordable; contain escalating health care costs to provide real savings for individuals, businesses and government; enhance the quality of care by preserving choice of providers, expanding choice of plans, and making needed investments in the health care workforce; improve health care benefits provided to retirees under Medicare and provide urgently needed assistance to encourage employers and VEBA's to continue health care coverage for vulnerable pre-Medicare retirees; and fully pay for all of these reforms through real savings in the existing health care system and an equitable tax on the wealthiest Americans.

The UAW believes that now is the time for Congress to make the dream of health care reform a reality. We urge the Committees on Energy and Commerce, Ways and Means, and Education and Labor to take the first step in this journey by promptly approving H.R. 3200, and rejecting any attempts to weaken this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Alan Reuther".

Alan Reuther
Legislative Director

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cc: Members, Committees on
Energy and Commerce,
Ways and Means, and
Education and Labor