

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS



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LEGISLATIVE ALERT!

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July 16, 2009

Honorable Henry A. Waxman, Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Honorable Charles B. Rangel, Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

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

Dear Chairman Waxman, Chairman Rangel and Chairman Miller:

On behalf of the AFL-CIO, I am writing to offer our strong support for H.R. 3200, America's Affordable Health Choices Act. The legislation meets our goals for guaranteed quality affordable health care for all and we urge the committees to give swift approval to the bill.

The legislation details comprehensive reform that builds on what works in our current health care system while creating new options for obtaining coverage and lowering costs for families, business, and government at all levels.

For the majority of Americans, what works in our current health care system is employer-based coverage—the backbone of health care coverage and financing in America. Building on the foundation of employer-provided health coverage – as the bill's employer responsibility requirement does – will allow working families to keep what they now have or choose from a new set of coverage options in a health insurance exchange with a contribution from their employer. The bill establishes a reasonable and effective employer responsibility requirement that would help shore up employer-based coverage. And by extending that obligation to part time workers on a pro-rated basis, the bill eliminates any incentives for employers to move workers to part-time status to avoid the new requirement.

The bill also establishes a strong public health insurance option to compete on a level playing field with private health plan options in a new national exchange. The public health insurance plan created in H.R. 3200 will be key to making health care coverage more affordable for working families, businesses, and governments, all of which are increasingly burdened by escalating health care costs. A public health insurance plan would also promote competition and keep private plans honest in a market that is now largely dominated by a handful of private insurers.

H.R. 3200 makes other important and necessary improvements to our broken health care system. It establishes new rules for insurance companies to guarantee no one is turned away or denied coverage for pre-existing conditions, eliminates rating based on health status and gender, and limits rate variation based on age to no more than two to one. It establishes a Health Insurance Exchange that will provide a transparent, fair and functioning marketplace for individuals and small employers to choose among private and public health insurance options that must meet the new rules for costs, benefits and consumer protections. And it recognizes two important points in achieving affordability: moderate-income families and not just the very poor need help buying coverage, and subsidies must help offset all out of pocket costs, not just premiums.

In addition, H.R. 3200 expands Medicaid coverage for the poorest individuals and families so they can have the security of comprehensive benefits with limited cost sharing. It also establishes a temporary catastrophic reinsurance program for employers and VEBAs that provide health coverage to pre-Medicare retirees. And it improves access and cost for low-income Medicare beneficiaries and phases out the Part D benefit "donut hole."

Finally, this legislation transforms our health care system from one that rewards quantity of care delivered rather than the quality of care. It would realign payment incentives to reduce overuse, slow the growth of health care costs and improve Americans' health.

The legislation before the committees delivers on the promise of comprehensive reform with the cost of reform fully offset. With half the costs offset by savings and efficiencies in Medicare and Medicaid and the other half paid for by a surcharge on the wealthiest 1.2 percent of Americans, H.R. 3200 is the right prescription for improving our nation's health and our economy.

We agree with President Obama that health care reform cannot and must not wait. We commend the committees for their commitment to enacting reform this year and urge prompt approval of America's Affordable Health Choices Act.

Sincerely,



William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT

c: All Members of the House Committee on Energy and Commerce
House Committee on Ways and Means and
House Committee on Education and Labor