

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS



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LEGISLATIVE ALERT!

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June 17, 2009

Honorable Edward M. Kennedy, Chairman
Senate Committee on Health, Education
Labor and Pensions
428 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Kennedy:

On behalf of the AFL-CIO, I am writing to offer our strong support for the draft of the Affordable Health Choices Act that the Committee is considering this week. The draft bill outlines a strong comprehensive plan for guaranteeing quality affordable health care for all, and we applaud the Committee's commitment to move this critical process forward.

As President Obama has said, health care reform can no longer wait. The status quo is unsustainable. Skyrocketing health care costs are straining families, business, and government at all levels. This is why comprehensive reform must lower costs, cover everyone, and improve the quality and value of the health care we receive.

The Affordable Health Choices Act would make great strides toward achieving these goals. Its proposed reforms of the private insurance market—including guaranteed issue and renewability, a bar against exclusions for pre-existing conditions, and a limitation on rating based on age to a ratio of no more than two to one—will make coverage more fair, transparent, secure, and effective.

The draft bill also includes comprehensive reform of the way health care is provided that would significantly improve the quality and efficiency of care—and constrain costs—by empowering doctors, other health care workers, consumers, and purchasers to work together toward innovative changes.

We applaud the creation of gateways to make coverage more accessible to individuals and employers, with subsidies to make coverage more affordable for families with incomes up to five times the poverty level.

We also strongly support the creation of a catastrophic reinsurance program to help address the high costs employers incur in offering health benefits for pre-Medicare eligible retirees.

Finally, we fully support the inclusion of a public health insurance plan in the gateways and an employer requirement as part of shared responsibility—two essential elements included but not detailed in the bill language released last week. A public health insurance plan is needed to give consumers a meaningful choice that will help lower costs and inject needed competition into the market. An employer requirement will level the playing field between firms that offer good benefits and those that do not, and help ensure that workers can keep the coverage they have or get new coverage in a gateway with the help of their employer. If health reform is to effectively build on what works, it must strengthen the employer-based system—the backbone of health care financing and coverage in this country. An employer requirement is necessary to achieve that goal.

The Congressional Budget Office score released this week gives us only a partial look at the scope and cost of comprehensive reform. We believe a public health insurance plan, an employer requirement, and a strengthened Medicaid program for the poorest families and individuals will be key to significantly adding to the number of insured without significantly adding to the cost of reform.

We look forward to working with the Committee to build on the achievements already included in this legislation and to advance and enact comprehensive health reform this year.

Sincerely,

A handwritten signature in black ink, appearing to read "William Samuel". The signature is fluid and cursive, with a large initial "W" and "S".

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT

c: All Members of the Senate committee on Health, Education, Labor and Pensions