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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510–6300

July 1, 2009

Dear HELP Committee Member:

No issue is more important to our constituents – or to our economy – than health care reform. As President Obama has said – and as even those who disagree about the particulars of reform understand – inaction is not an option. The status quo isn't just unacceptable, it's unsustainable.

As you know, last month we distributed initial legislative language for the HELP Committee markup of the "Affordable Health Choices Act." With bipartisan cooperation and a great deal of hard work, we have already made significant progress and completed our work on issues ranging from prevention to quality of care to the elimination of waste and fraud. Meanwhile, we have continued to discuss and incorporate good ideas from a variety of perspectives and both political parties – already, we have accepted 87 Republican amendments, and in the coming days we hope to work out many more.

Today, we are circulating language for two remaining portions of the bill: a strong public insurance option to offer consumers a reliable and affordable alternative, and a provision for the shared responsibility of employers.

The Congressional Budget Office has carefully reviewed our complete bill, and we are pleased to report that the CBO has scored it at $611.4 billion over 10 years, with the new coverage provisions scored at $597 billion – a significant reduction from earlier estimates. The completed bill virtually eliminates the dropping of currently covered employees from employer-sponsored health plans. In addition, our bill, combined with the work being done by our colleagues in the Finance Committee, will dramatically reduce the number of uninsured – fully 97 percent of Americans will have coverage, a major achievement.

A strong public option

Like the President and a strong majority of Americans, we believe that a strong public option is an important component of any health reform bill that keeps costs down, expands coverage, and offers American families a wide variety of affordable options. Backed by the government for the public good, not private profit, our public option – called the Community Health Insurance Option – will be a strong, effective national plan that provides Americans with a real alternative to traditional, for-profit insurance.

Here's how it works:

- Our public option will be a national plan, available in each state and territory and administered by the U.S. Department of Health and Human Services, which will negotiate rates and premiums.
- Like private insurance plans, it will be available through the Health Insurance Gateway. Enrollees will be entitled to the same tax credits as those enrolled in the private plans available through the Gateway.
- And, of course, participation in the public option will be just that – an option for American consumers who will be able to decide what plan is best for their families.

For the 47 million Americans currently living without health insurance, a public option will represent an opportunity to access quality, affordable care. For those who have insurance but still struggle to get the care they and their families need, the healthy competition provided by our proposal will offer a wider variety of options while keeping costs down.

And for the many Americans who have good coverage, nothing will change. They will still be able to keep their doctor, their hospital, and their insurance plan. What our proposal offers these families is stability – no longer will Americans with good health care have to worry about losing everything if they lose or change their job, or if someone in their family becomes sick or injured.

Even in the face of scare tactics and false claims that a public option would destroy consumer choice or the insurance industry, a vigorous public option is what Americans want. According to two recent public polls, three out of four Americans support the establishment of a public option to compete with private insurance plans and offer families better choices when making health care decisions.

Moreover, a strong public option isn't just what Americans want – it's what America needs. All of us understand the importance of the work we're doing. The health of our economy and our families rely on it. But if it's worth doing, it's worth doing right. The Senate must not, and the HELP Committee will not, shy away from this challenge. We must not settle for legislation that merely gestures at reform. We must deliver on the promise of true change.

Enhanced employer responsibility

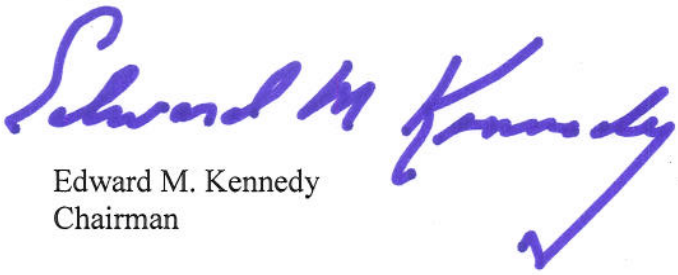
A core value of our bill is shared responsibility. To solve the nation's health care crisis, everyone must be part of the solution, including insurance companies, medical providers, the government, individual Americans – and employers. Most employers offer quality health insurance to their workers and their families. These employers, especially smaller ones, need support to continue meeting this responsibility, and our legislation will provide that support.

Americans whose employer chooses not to provide adequate coverage will now have an opportunity to get the care they need through private insurance plans or the public option. But those employers should still share in the responsibility for ensuring that everyone is covered. So those employers

(excluding small firms with fewer than 25 employees) that do not offer health insurance would be assessed a modest annual fee of $750 per full-time worker, or $375 per part-time workers, to help pay for their employees' health insurance coverage.

We look forward to discussing this legislation as the HELP Committee continues its historic and long-overdue effort to implement comprehensive health care reform.

Sincerely,



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