

### Prepared Remarks at Health Care Townhall

“Tonight I’m here to talk about how vital health reform is what a reform bill will and will not do, and how it will ensure that you have affordable health care you can count on. Health reform is vital now more than ever. It is essential for our families, our businesses, and our country.

Our families need health reform. If we do nothing, the average Maryland family can expect to spend nearly \$22,200 per year on health care premiums by 2019, up from \$13,000 now and \$5,400 in 1997. Across America, families are dealing with the same out-of-control costs. This decade, premiums have risen three times faster than wages, meaning that health care eats up a bigger and bigger share of your money every year. At the same time, middle-class families who thought they could count on their insurance are losing it. Right now, 10,000 Americans a day are losing their health insurance coverage. Contrary to what many believe, most people without health insurance have jobs. And unless we act, the ranks of the uninsured will continue to grow.

Our businesses need health reform. Starbucks spends more on health care than coffee. GM spends more on health care than steel. American companies pay twice as much for health care as their foreign competitors-which is a serious handicap.

Small businesses are struggling to cover their workers-their premiums have gone up by 129% since 2000. That means that the average family premium for those businesses rose from \$5,600 to \$12,100.

Our country needs health reform. In 1994, health care took up 14% of our economy. Today, that’s up to 17%. If we do nothing, by 2025, health care will eat up a quarter of our economy. And eventually, one out of every two dollars spent in America will go to health care.

Our country needs health reform because our economy loses more than \$200 billion a year due to the poor health and the shorter lifespan of the 47 million uninsured. The problem is growing more pressing every year, but the truth is that the costs of our broken health care system have been with us for generations. Every President since Harry Truman has called for health reform. In 1945, President Truman said: “We should resolve now that financial barriers in the way

of attaining health care should be removed; that the health of all its citizens deserves the help of all the Nation." In 1962, President Kennedy said: "Whenever the miracles of modern medicine are beyond the reach of any group of Americans, we must find a way to meet their needs and fulfill their hopes. Let this be the measure of our nation." And in 1974, President Nixon said: "We must have legislation to ensure that every American has financial access to high quality health care."

So what is Congress proposing we do about the unsustainable cost of health care? First, a quick update on where we are in the process. In the House we've had 80 hearings over the past two years, and House Democrats have held more than 1,000 town halls and discussions with constituents. After months of intense work and negotiation, bills were passed out of the three committees of jurisdiction. They are largely similar but staff have been working over August to combine the three so we have one bill to vote on on the floor of the House. In the meantime Members have spent this month discussing concerns and suggestions with their constituents.

In the Senate, one committee has acted. We are waiting for the second Senate committee with jurisdiction, the Finance Committee, to come out with their bill. The two Senate bills will then be combined. Then, of course, each chamber has to vote on its own bill, and then the Chambers will have to sort out their differences before we vote on a final bill for the President to sign into law.

Even though this issue is still being discussed, let me explain where the bill stands now. We keep what works and fix what doesn't—building on the current system of employer-sponsored insurance. We are not proposing a government-controlled system. We reform the health insurance system so that all Americans can find peace of mind with health care they can count on. For seniors, we want a more efficient Medicare with stronger benefits. And we want to level the playing field for small businesses.

First, building on the current system: Qualified insurance plans offered by employers will be unaffected. In order to be qualified, an insurance plan has to cover basic services like hospitalization, outpatient services, prescription drugs, mental health, and preventive care. But even though it builds on the system of employer-sponsored coverage, the bill makes sure that, if you lose your job, you do not lose insurance. That means more peace of mind for millions of Americans. In fact, according to the nonpartisan Congressional Budget Office, health reform will mean millions more Americans getting employer-sponsored insurance, because it will be more affordable for small businesses to offer it. Small businesses will find it easier to offer insurance because the bill creates an insurance exchange, which lets them leverage the purchasing power of their larger competitors to get cheaper group rates and more affordable insurance for

their employees.

Second, and this is a critical and overlooked part of this bill, we reform health insurance to provide security and stability for the middle class. These are the changes we make. We protect you from medical bankruptcy. No matter how sick you get, you will never pay more than \$5,000 out of pocket for yourself, or \$10,000 for your family. If you lose your job or want to start a business, you will have access to affordable, high-quality insurance through a national health insurance exchange where private plans will compete for your business. We end discrimination against those with pre-existing conditions-everything from cancer and diabetes to pregnancy and asthma. And we eliminate caps-so that no insurance company can tell you that you've gotten too sick to get the coverage you paid for. We will stabilize your health care costs. Right now, if you have insurance, about \$1,100 of your family's premium goes to subsidize the care of the uninsured. By covering the uninsured, we can end that hidden tax.

Third, Medicare. I know that seniors are very worried about access to your doctor and keeping your benefits. So let me be clear: the reform bill preserves your access to your doctor by reversing a huge doctor pay cut that is scheduled to hit on January 1<sup>st</sup> and it improves your benefits by phasing out the prescription drug "donut hole." It also waives your copayments for preventive care. And it helps Medicare provide more efficient, higher-quality care, increasing accountability and rewarding doctors who coordinate their care. It does have some cuts to Medicare, but 60% of the savings are put back into Medicare to improve your benefits, pay doctors, and help the program stay solvent. Those cuts eliminate unfair overpayments to Medicare Advantage plans-some of which get paid up to 50% more than it costs traditional Medicare to provide the same services.

Fourth, small businesses: As I discussed, the reform bill creates an insurance exchange, which will help help small business owners cover their employees for less. It also makes it easier to cover employees by providing a tax credit for small businesses. Finally, 86% of small businesses-those with payrolls below \$500,000-are exempt from any mandate to provide coverage.

Next I want to expose a few of the many myths about health insurance reform. Here is what health reform will not do.

First, it does not create "death panels." If a patient chooses to discuss advance planning or end-of-life care with their doctor, Medicare would reimburse the physician for that

conversation - right now, doctors cannot be paid for their time. I hope that this provision gives more Americans peace of mind from knowing that they and their families have had the opportunity to think about the choices that are right for them. This is based on legislation introduced by a Republican Senator and builds on a provision in the Medicare Modernization Act, which was passed by a Republican Congress and signed by a Republican President. In fact, Senator Johnny Isakson, a Republican who supports end-of-life planning, but not necessarily this bill, said this: "How someone could take an end of life directive or a living will as [a death panel] is nuts. You're putting the authority in the individual rather than the government. I don't know how that got so mixed up."

Second, the bill does not "put government between you and your doctor." Right now, insurance companies are between you and your doctor, deciding what they will or won't cover. But if health reform passes, everyone will have insurance, and that insurance will have value you can count on. When you get sick, you will get care. All decisions about care will be between you and your doctor.

Third, it does not provide health insurance to illegal immigrants. Page 143, in Section 246 of the bill, expressly states:

"NO FEDERAL PAYMENT FOR UNDOCUMENTED ALIENS."

Fourth, the bill does not "ration care." It does pay for what's known as comparative-effectiveness research, which is like Consumer Reports for health care: It gives doctors and patients information on which treatments work best. It makes that information widely available, and leaves the choice in the hands of doctors and patients. It does not force doctors to deny or ration care. The bill spells that out. And to ensure that we always have enough doctors and nurses to handle new patients, the bill invests in training and scholarships for new health care workers.

I look forward to your questions.