



OFA CD 50 Health Policy Team

“Healthcare Reform Update and Next Steps”

September 12, 2009

Escondido Democratic Club

Councilman Dave Roberts, City of Solana Beach
OFA CD 50 Health Policy Team Leader



Organizing for America

50th Congressional District

Goals

Advocacy

- Policy Teams
- Seminars
- Study groups
- Develop position statement

Communications

- Forum for grassroots views
- Submit position statements
- Get feedback from OFA

Community Service

- Volunteerism
- Help needy
- Build strong communities



OFA CD 50 Organization

Community Teams

- Escondido / San Marcos
- Carlsbad
- Encinitas
- SB/ DM / RSF
- Carmel Valley / RP / RB
- La Jolla / Claremont
- 50 over 50

Policy Teams

- Healthcare
- Energy / Environment
- Immigration
- Education



OFA CD 50 Health Policy Team

- Meeting #1: December 29, 2008
 - Results: Input to HHS Report on Healthcare Reform
- Meeting #2: February 7, 2009
 - Results: Eight Subcommittees established
- Meeting #3: March 30, 2009
 - Results: Written testimony
- Meeting #4: May 2, 2009
 - Results: Discussion of Ezekiel Emmanuel's principles for reform
- Meeting #5: May 21, 2009
 - Results: Health reform recommendations
- Event: June 27, 2009 (Day of Service Activity)
 - Results: OFA CD50 Health Fair at Scripps Memorial Hospital Encinitas with 400+ attendees
- Meeting #6: September 2, 2009
 - Results: Health reform update and next steps

Reminder: National Health Spending Facts

- In 2008, U.S. healthcare spending reached \$2.4T; projected to reach \$3.1T in 2012; \$4.3T by 2016
- In 2008, U.S. spent 17% of GDP on healthcare; projected to reach 20% by 2017
- Healthcare spending is 4.3 times the amount spent on national defense
- Although nearly 46M Americans are uninsured (and 25M are underinsured), the United States spends more on healthcare than other industrialized nations, and those countries provide health insurance to all their citizens

Source: Centers for Medicare and Medicaid Services (CMS), Office of the Actuary.

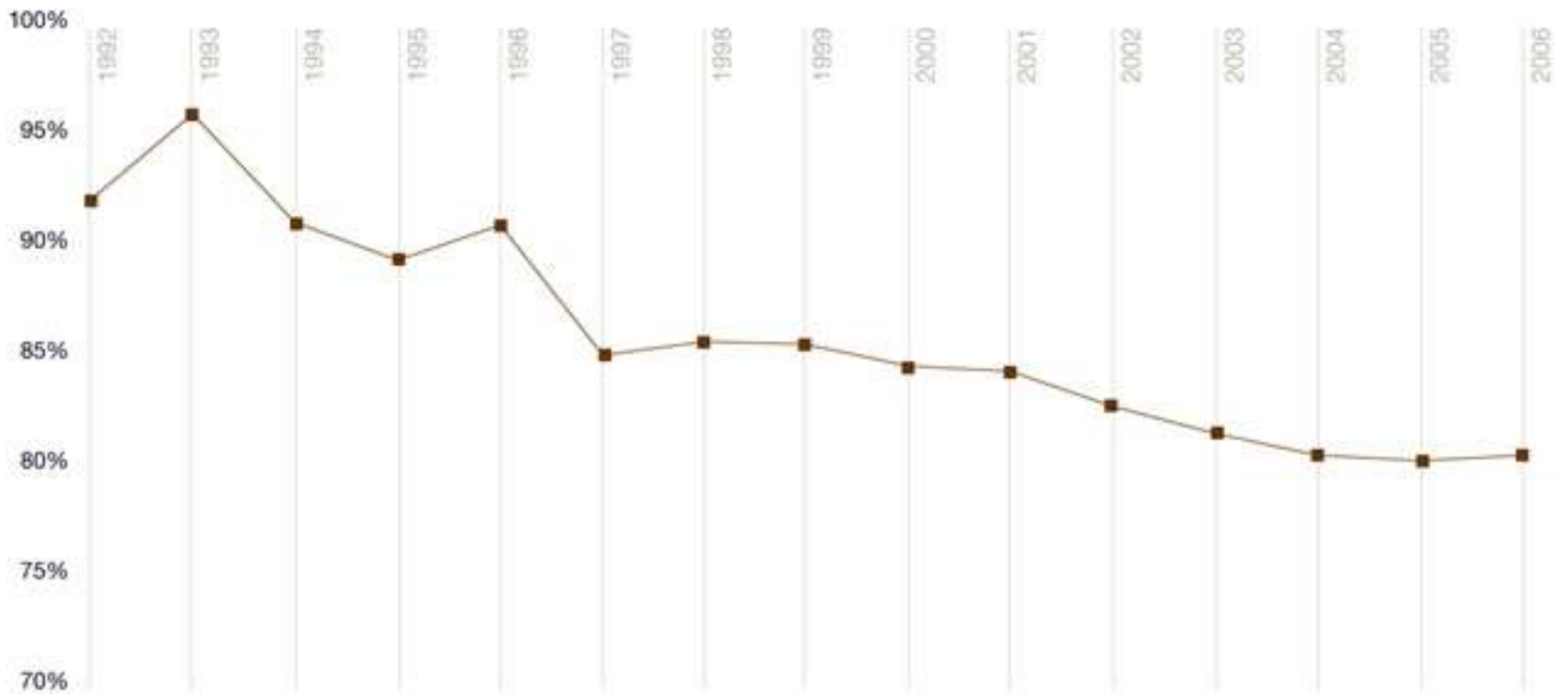
More facts...

- Profits of the largest 10 Health Insurance companies are up 428% since 2000
- Top 7 private Health Insurance Companies earned over \$12 Billion in 2007
- Over the past 10 years Insurance premiums have increased 3 times as fast as wages
- At the same time the Private Insurance Companies are spending less of Premium dollars on actual health care.

Medical Loss Ratio

Exhibit 8

Medical loss ratio: annual



Source: PricewaterhouseCoopers' HRI analysis based on public company data

PricewaterhouseCoopers' Health Research Institute

Progress to Date!

- The President signed the Children's Health Insurance Reauthorization Act on February 4, 2009, which provides quality health care to 11 million kids – **4 million who were previously uninsured.**
- The President's American Recovery and Reinvestment Act protects health coverage for 7 million Americans who lose their jobs through a 65 percent COBRA subsidy to make coverage affordable.
- The Recovery Act also invests \$19 billion in computerized medical records that will help to reduce costs and improve quality while ensuring patients' privacy.
- The Recovery Act also provides:
 - \$1 billion for prevention and wellness to improve America's health and help to reduce health care costs;
 - \$1.1 billion for research to give doctors tools to make the best treatment decisions for their patients by providing objective information on the relative benefits of treatments; and
 - \$500 million for health workforce to help train the next generation of doctors and nurses.

President's Health Care Reform Principles

- 1) To reduce the rising healthcare costs for families, business and government;
- 2) To allow all patients to choose their own coverage and their own doctor; including the choice of a strong Public Option.
- 3) To ensure that quality, affordable healthcare is available to all Americans

President's Consumer Protections

- **No Discrimination for Pre-Existing Conditions**

Insurance companies will be prohibited from refusing you coverage because of your medical history.

- **No Exorbitant Out-of-Pocket Expenses, Deductibles or Co-Pays**

Insurance companies will have to abide by yearly caps on how much they can charge for out-of-pocket expenses.

- **No Cost-Sharing for Preventive Care**

Insurance companies must fully cover, without charge, regular checkups and tests that help you prevent illness, such as mammograms or eye and foot exams for diabetics.

- **No Dropping of Coverage for Seriously Ill**

Insurance companies will be prohibited from dropping or watering down insurance coverage for those who become seriously ill.

President's Consumer Protections (cont.)

- **No Gender Discrimination**

Insurance companies will be prohibited from charging you more because of your gender.

- **No Annual or Lifetime Caps on Coverage**

Insurance companies will be prevented from placing annual or lifetime caps on the coverage you receive.

- **Extended Coverage for Young Adults**

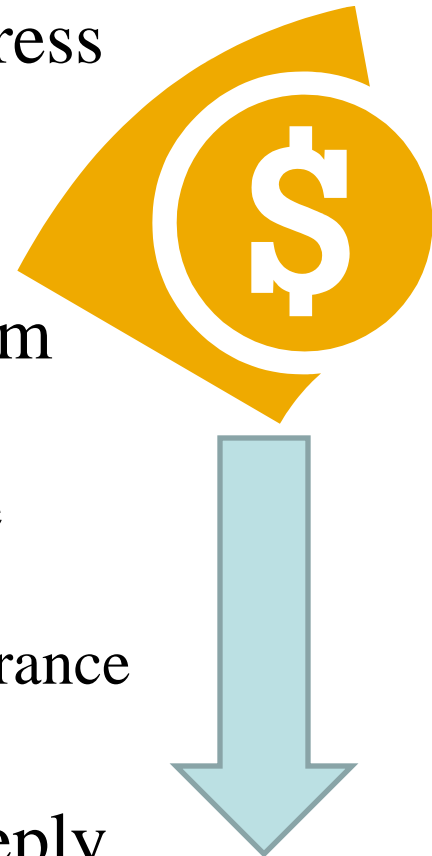
Children would continue to be eligible for family coverage through the age of 26.

- **Guaranteed Insurance Renewal**

Insurance companies will be required to renew any policy as long as the policyholder pays their premium in full. Insurance companies won't be allowed to refuse renewal because someone became sick.

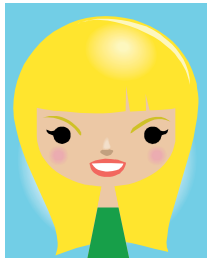
What's Happening and Why

- Health reform debate began in 110th Congress and has expanded into 111th Congress
- Five committees of primary jurisdiction
- The federal government recognizes problem
 - Healthcare is inefficient
 - 14,000 individuals losing healthcare insurance everyday
 - 46 million individuals without healthcare insurance
 - Cost of healthcare is increasing
- Health reform is hard and healthcare is deeply personal



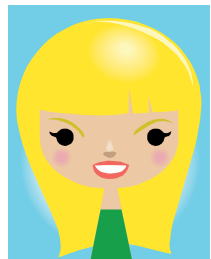
Overview of Current Healthcare Reform Legislation

- Legislation calls for health insurance exchanges to provide coverage for the uninsured
 - Aims to enable individuals to retain their current plans
 - Aims to create a marketplace for insurance
 - Works to leverage health IT to reduce duplicative spending and help with preventative medicine and data collection to ensure the use of quality measures



Overview of Current Healthcare Reform Legislation

- Currently there are two leading healthcare reform bills in the House and Senate
- Awaiting the release of a 3rd bill in September



Congressional Makeup

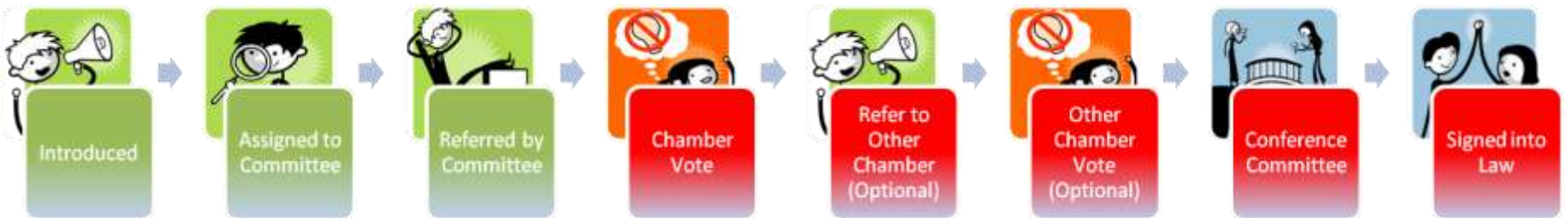
- U.S. House
 - 256 Democrats
 - 53 Blue Dogs (Fiscally conservative)
 - Six from California: Baca, Cardoza, Costa, Sanchez, Schiff, and Thompson
 - 68 New Democratic Coalition (Moderate, pro-growth)
 - Six from California: Capps, Davis, Harman, Richardson, Sanchez, and Schiff
 - 178 Republicans
 - 1 Vacancy

Congressional Makeup

- U.S. Senate
 - 99 Senators
 - 57 Democrats
 - 40 Republicans
 - 2 Independents
 - 1 Vacancy (Kennedy)
 - 1 ill Senator (Byrd)
- Need 60 votes to pass healthcare reform
- After October 15th – Only need 51 votes to pass healthcare reform!



Affordable Health Choices Act of 2009 (H.R. 3200)

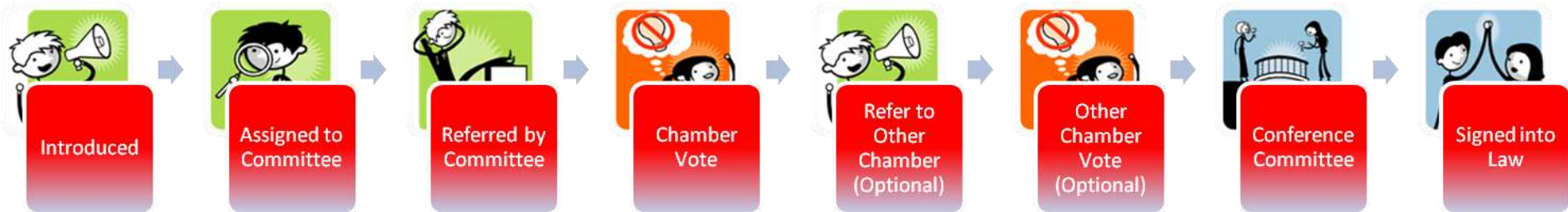


- Introduced as legislation on July 14th in the House
- Referred to three committees: Energy and Commerce, Ways and Means, and Education and Labor
- Committees held mark-ups to add additional amendments to the legislation
- The mark-ups finalized and bill reported by committees on 7/31
- Expect a floor vote in the House after the August recess

Affordable Health Choices Act of 2009 (H.R. 3200)

- Legislation would:
 - Establish a public health insurance option and a health insurance exchange
 - Require individuals to maintain health insurance
 - Require employers to either provide insurance or pay into a fund with penalties/taxes for non-compliance
 - Market reforms to level playing field for access to and affordability of health insurance
 - Individual and employer mandates linked to acceptable insurance coverage
 - Medicaid eligibility expansions and payment reforms
 - Improve delivery of healthcare services
 - Expand primary care workforce, emphasize clinical community-based prevention and wellness, and promote high-quality care.

Affordable Health Choices Act, Senate HELP Committee

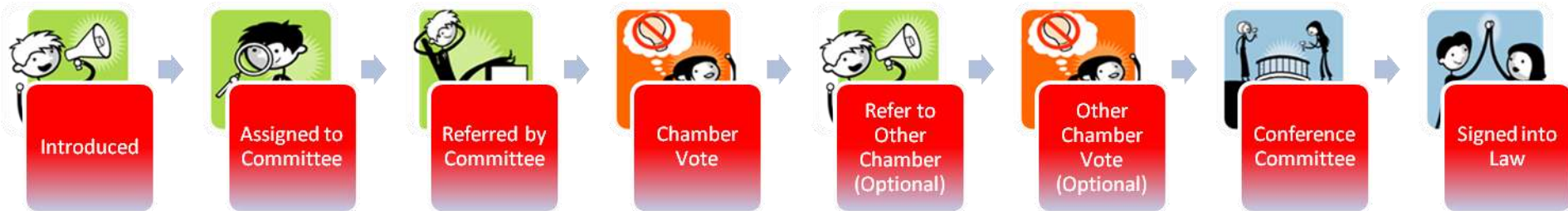


- July 15, 2009, the Senate Health, Education, Labor, and Pensions (HELP) Committee approved the Affordable Health Choices Act
- The Committee aims to merge the legislation with legislation to be released and marked-up by the Senate Finance Committee

Affordable Health Choices Act, Senate HELP Committee

- Senate HELP Committee's Legislation, the Affordable Health Choices Act, would:
 - Establish state-based health insurance exchanges through which individuals and small businesses could purchase coverage
 - Individual and employer mandate for coverage
 - Individuals would attain coverage from employer, from newly established health insurance Gateway, or face penalties for non-compliance
 - Employer would be required to provide a plan or assist in covering employee through Gateway
 - Includes market reforms and Medicaid expansion

Legislation, Senate Finance Committee



- Chairman Max Baucus (D-MT) aims to conclude bipartisan talks concerning the developing legislation by September 15, 2009
- Following a mark-up of the legislation, the legislation is expected to be merged with the Senate HELP Committee's legislation and be considered for a vote by the Senate

Legislation, Senate Finance Committee

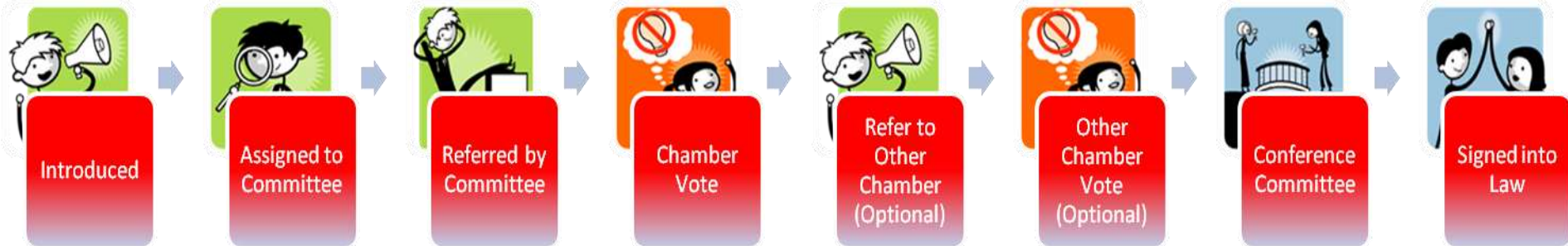
- Legislation has yet to be released by the Senate Finance Committee
- Through the release of the Senate Finance Committee's "Policy Options for Healthcare Reform" this spring, we gained insight on some of the policy proposals that the Committee was exploring in relation to health IT (www.finance.senate.gov)



Senate Finance Committee

- Supports universal coverage
- Wellness and prevention would be prioritized
- Improve Health Care Quality and Value
- Achieve Greater Efficiency and Sustainable Financing

What's Next?



- Two Senate bills will likely be merged into one bill to compliment its counterpart in the House (H.R. 3200)
- Congressional leaders hope to vote on healthcare reform legislation this fall
- The chambers can send their perspective bills to the other chamber for a vote or they can go straight to a Conference Committee.
- Following passage by Congress, a bill would then be sent to the President for his signature

H.R. 676

- Title: “United States National Health Care Act” or the “Expanded and Improved Medicare for All Act”
- Sponsor: Rep. John Dingell (D-MI)
- Co-sponsors: 86
- Purpose: Establishes the United States National Health Care (USNHC) Program to provide all individuals residing in the United States and U.S. territories with free healthcare that includes all medically necessary care, such as primary care and prevention, prescription drugs, emergency care, long-term care, mental health services, dental services, and vision care.
- Status: Introduced on 1/26/2009 Referred to House Energy and Commerce, Ways and Means, and Natural Resources Committees

H.R. 676 (cont.)

- USNHC Trust Fund
 - Existing sources of government revenues (including Medicare, Medicaid, and CHIP)
 - Increase personal income taxes on top 5% of income earners
 - Progressive tax on payroll and self-employment income
 - Tax on stock and bond transactions
- Additional sums would be appropriated to maintain maximum quality, efficiency and access
- Establish National Board of Universal Quality and Access to provide advice on quality, access and affordability
- Weiner amendment in House – Must vote on single payer



The Task Ahead!

"I suffer no illusions that this will be an easy process. It will be hard. But I also know that nearly a century after Teddy Roosevelt first called for reform, the cost of our healthcare has weighed down our economy and the conscience of our nation long enough. So let there be no doubt: healthcare reform cannot wait, it must not wait, and it will not wait another year."

— President Barack Obama, February 24, 2009



Next Steps

- Join the OFA CD 50 Health Policy Team by e-mailing Tom McGreal at tommcg@roadrunner.com
- Get involved with OFA CD 50
- Provide input to Leadership Team
- Get e-mail updates
- Call Our Elected Officials
- Keep Doing all you do!
- Stay Fired Up!