

CONGRESSIONAL RECORD – 111th CONGRESS, FIRST SESSION

Senate – July 24, 2008

THE AFFORDABLE HEALTH CHOICES ACT

Mr. REED. Mr. President, let me begin by thanking and commending Senator Dodd, who was at the helm of the deliberations on health care reform in the HELP Committee. His patience, his understanding, and his determination were probably the three critical factors that got this bill through the committee and to the floor. He has made a singular contribution to the progress of this debate on health care, which he eloquently described as so central to every family in this country. I know he is performing these duties with the notion that the real champion of health care, Senator Ted Kennedy, is in the wings urging him on and helping him and guiding him. But Senator Kennedy's presence was palpable. I think our efforts today and in the days ahead will culminate, I hope, as does Senator Dodd, in legislation that can be signed by the President, with Senator Kennedy there and Senator Dodd. I can't think of two people who would more deserve such a place of honor.

We hear often from the opponents of health insurance reform that the

vast majority of Americans have health insurance and are happy with it. That is true. But it is only one side of the coin. Americans are glad they have insurance, but they are worried they might lose it because the cost keeps going up. All Americans worry when they see friends and family members who don't have insurance or who lose their health insurance. They worry when they are faced with completing piles of paperwork having to do with their health insurance policy. And they worry when they get the runaround from their insurance carriers about what is and is not covered. They certainly are not particularly happy when they are either denied coverage or denied reimbursement of a claim because of a preexisting condition. It is clear that we must improve health care for the Nation.

The opponents of health care reform are talking about a government takeover and bureaucrats, but those are merely scare tactics. The reality today is there are Americans who are uninsured, who show up in hospital emergency rooms without coverage

that wind up in higher premiums for all of us. There are Americans who are being denied insurance, even though they can pay the premium, because of a preexisting condition. All of that has to be addressed.

Today we face a choice between a broken status quo or a better and less-expensive health care system; between being denied health insurance or a marketplace where competition and choices are vibrant; between a health insurance system that will double in cost or one that will actually control costs; between a health care system that leads to thousands of families losing their insurance every day or a system that covers more of our relatives and neighbors; between a health insurance system that will keep adding to the deficit or a system that helps reduce government costs over the long run.

That is the choice facing the Senate and the American people. The stark reality is that our health care system is broken. The status quo is untenable. In the face of this, the HELP Committee and the

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President made the right choice to fix it.

In contrast, the Republicans have chosen to simply protect the existing health care system--the one that is denying care to millions of Americans, the one that cannot be sustained financially by families or by government. They would rather talk about Waterloo and a host of other hobgoblins than do the hard work of health reform that we must do. We can succumb to fear or we can roll up our sleeves and pass health care reform. I believe that we cannot wait any longer.

In fact, that is what is ongoing at this moment. Senator Baucus is reaching out, as Senator Dodd reached out, to develop a plan that will not only pass this Congress but also benefit the American people in the long run.

There are many specific elements in the HELP Committee bill and the bill Chairman Baucus will bring from the Finance Committee. But there are five key principles by which we are guided.

One, we will pay for the cost of reforming the health insurance system.

Two, we will start controlling costs today and in the future.

Three, we will preserve and expand insurance choices for the American people.

Four, we will cover as many Americans as we can through commonsense steps that increase health security and stability for families.

And, five, we will reward efficiency and quality care.

Everything we do in health care reform should be guided by these principles because they are the right principles and they are what the American people expect.

Now, let me take a moment to talk more about our health care system and how we got here. At the turn of the 20th century, significant technological and medical advances yielded superior treatments, more effective training of physicians, and higher quality care.

More Americans demanded access to these new and improved services. But for many the cost was too expensive. The problem intensified during the Great Depression and doctors, because of the financial crisis, were ill-equipped and unprepared to help many who needed help. We have made progress since then.

In the 1960s, this Congress--a predecessor Congress--adopted the Medicare Program and the Medicaid Program. We have also seen investments in the construction of hospitals under Federal legislation. We have seen a system grow up somewhat unwittingly through the tax system to subsidize employer-based health care. All this has led to the present situation.

But, even today, the parallels between our current health care system and that of the system at the turn of the Century are frighteningly similar. The cost of care is still too expensive and doctors are still ill-equipped to treat every patient that walks through their door.

Throughout those years, Presidents and Congresses

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have recognized the need for comprehensive reform, to make health care affordable and accessible for all Americans and affordable for the Nation as a whole. Harry Truman, Jimmy Carter, Bill Clinton all endeavored to change the health care system. We are still at that great task, and this is a daunting task, but this time we must succeed.

In the face of this task, some have said it is too hard, it cannot be done. Instead, incremental reform would better serve the country. In 2003, under President Bush's urging, the Medicare prescription drug benefit, Medicare Part D was passed. That was done without paying for it. It was done with deficit spending. And it was done supposedly with a \$400 billion price tag over 10 years that later turned into \$1.2 trillion over 10 years. That was an initiative supported by President Bush and the Republicans.

So we are in a situation now that is different. We have presented a bill that costs half as much, has gone down in price, and that will be paid for. We are determined to pay for it. We

are determined to make it contain costs over the long run because the current costs are skyrocketing out of control.

We have also seen the need, because of the current economic crisis, to accelerate our reform efforts. In my State of Rhode Island, 12.4 percent of the population is unemployed. That is adding to the rolls of those who are uninsured. They are losing their coverage if they are being dismissed from their work or their employer is scrapping coverage just to save the company and keep some people employed.

We have seen the premiums for those who still have access to coverage increase dramatically. In Rhode Island, family premiums have increased 97 percent since 2000. Over 20 percent of middle-income Rhode Island families spend more than 10 percent of their income on health care. We know these numbers are going to get worse, not better, if we do nothing. They are going to get to the point where families cannot afford it, where State governments cannot afford it, where the Federal Government cannot

afford it. We have to recognize that, that sitting back, doing nothing, proposing the old remedies will do nothing for the American people.

My Republican colleagues believe that giving everyone a tax credit, \$5,000, will get everyone in America covered. But that is less than the cost of an insurance policy. Moreover, they are not proposing to reform the insurance system. If we do not do this, we will continue down the path toward a social and economic crisis.

So we have acted. And we must continue to act. President Obama is determined to make this effort succeed. I recall the debate in 1993 and 1994 and we are much further ahead than we were in 1993 and 1994. We all talked about health care reform in 1993--a major issue in the election--but by the time we got down to passing legislation, it was the summer of 1994 and we ran out of time. We cannot run out of time now. The President is right to insist we keep moving as fast as we can until we reach the objective.

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The President said it very well Wednesday evening:

If somebody told you that there is a plan out there that is guaranteed to double your health-care costs over the next 10 years, that's guaranteed to result in more Americans losing their health care, and that is by far the biggest contributor to our federal deficit, I think most people would be opposed to that. That's what we have right now. If we don't change, we can't expect a different result.

“If we don't change, we can't expect a different result.”

So we must move forward with health care reform and we must do it deliberately and we must do it in a timely way. As one who sat on the HELP Committee under the leadership of Chairman Kennedy and Acting Chairman Dodd, we took great effort to work through these issues. We spent hours and hours consulting with every single stakeholder: patients, providers, doctors, nurses, hospitals, employers, small business owners, large business owners, Governors, economists, and our Republican colleagues.

We had 13 committee hearings. We had 14 bipartisan roundtable discussions. And we spent hours--20 hours--with our Republican colleagues in an informal walk-through of the bill, getting their impressions and feedback. We entertained hundreds of amendments--160 amendments to be exact. Major contributions were made, as Senator Dodd indicated, by our Republican colleagues, along with my Democratic colleagues. Then the committee passed this legislation.

This work must continue with that same intensity. I know Senator Baucus in the Finance Committee is doing that. I hope we return in September fully engaged and ready to move on this issue.

I wish to make a few points about the legislation that is emerging from both the HELP Committee and I anticipate from the Finance Committee. First of all, we have included in our bill items--and the Finance Committee will do the same--that will ensure that this is fully paid for, unlike the Medicare Part D plan

enacted by the Bush administration.

CBO has informed us, in their hearing before the Budget Committee, that they are not convinced we are going to be able to dramatically reduce costs going forward. Now, we are all bound by them. This is the yardstick we use. But I wish to make a point about the CBO projections. By their rules, CBO cannot consider some things that we feel will be instrumental in not only improving the health of Americans but bringing down the costs. They cannot and will not predict the effect of a healthier and livelier America.

The Trust for America's Health, for example, found that investing \$10 per person per year in proven community-based programs to increase physical activity, improve nutrition, and prevent smoking and other tobacco use, would save the Nation at least \$16 billion annually within 5 years. Out of this \$16 billion in savings, it is estimated Medicare could save more than \$5 billion, Medicaid could save more than \$1.9 billion, and private

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insurance companies could save more than \$9 billion.

Those savings are not factored into the CBO's projections for several reasons: One, they are hard to predict, and they do not want to take that risk; but, second, they will only record savings that accrue directly back to the Federal Government. The millions that are being saved by private insurance companies through prevention--that is a savings they will enjoy, the country will enjoy, the families will enjoy, but it will not be scored by CBO.

We have also taken some significant steps to ensure that we crack down on fraud and abuse in the public and the private insurance sectors. The National Health Care Anti-Fraud Association estimates that 3 percent of all health spending each year--more than \$70 billion--is lost to fraud perpetrated against public and private health plans. Federal antifraud efforts in the Medicare Program have been demonstrated to return \$17 for every \$1 invested in these activities, and we have expanded these activities in this legislation.

We also expect cost savings through the use of health information technology. In the American Recovery and Reinvestment Act, we provided \$19.2 billion to hospitals, doctors, and clinics for this purpose. According to the RAND Corporation, we could save up to \$77 billion each year in medical costs through health information technology. Once again, this type of savings is not included in the CBO calculations.

But in addition to the savings we anticipate, we are still going to pay for the cost that the CBO has calculated. The Finance Committee is committed to do that. And it should be noted, significantly, that President Obama has already received commitments from health care industries to share in the cost of payment and contribute to this plan. The American Hospital Association has pledged \$155 billion in anticipated cost reductions. The drug companies have promised \$80 billion. These groups, along with insurance companies and doctors, have also pledged to slow the rise in health care costs

over the next 10 years by 1.5 percent. This is much different than in 1993 and 1994. These concessions will not cover the whole cost, but that is where the Finance Committee will augment with their proposals.

The President has engaged not only the Congress but also the major stakeholders in the health care system. Indeed, one of the things I find remarkable is that some people are running around talking about that this is a nationalization of health care, it is a socialization of health care, it is going to be government bureaucrats. Well, if that is the case, why is the private insurance industry not only cooperating but pledging to participate in cost reductions? They must feel their security and safety financially and economically are not being jeopardized.

So we are going to pay for this. We are also going to expand coverage in a way where not only you can get it, but you can keep the coverage. The same thing goes with respect to keeping your doctor.

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One of the guiding principles the President announced initially was: If you like your health care, you can keep it. We have stayed true to that principle in terms of the construct that has emerged from the HELP Committee.

We have also tried to provide assistance to those people who need health insurance that is affordable. They will have the choice of a health plan that meets their needs and their budget. Again, many of the proposals my colleagues on the other side have made throughout the years, including tax credits are not sufficient to pay the premiums, and as such are ineffectual. We are going to make sure you not only have insurance but that you can afford that insurance.

So we have listened to a whole range of proposals. We have listened to those who are proponents of the single-payer system. We have listened to those who stress a strong community option. I think we have clearly staked our reform on a more competitive market that will have a public option to spur competition but will not in any way displace the primacy of

private health care insurance.

We are moving forward with this legislation. We have created a system where citizens can come and select the choice of private insurance or a community option, a publicly-organized option. We have also insisted upon insurance reform so that preexisting conditions, limits on policy payments--all of those things would be a thing of the past.

We believe this legislation will provide greater stability for Americans, not only financially but for peace of mind, the notion that when I go to the doctor, I won't have to worry, will the insurance company accept this claim; when I go to the doctor and I make the claim, will I then be told that what happened to me 20 years ago was a preexisting condition and my visit will not be covered; the peace of mind that if I have employer-based health care and I lose it, then I will be able to access a plan for me and my family. I think these are important aspects of this legislation, as important as some of the financial aspects.

We also want to make sure we increase the efficiency, the efficacy of the health care system. We have adopted quality measures. We have learned from experience that we can make changes--some of them are very simple--that will increase the efficiency and the effectiveness of health care. One simple approach is a checklist of safety measures in ICU that has been adopted in my State of Rhode Island. Studies have found that the checklist cuts infection rates 66 percent within 3 months and within 18 months of implementation saved about \$75 million and 1,500 lives. Those types of innovations, those types of reforms are designed now to be dispersed throughout the system.

We also have to prevent readmission to hospitals, and we have adopted legislation in the bill that will help do that by clearly planning for the discharge of a patient. We are building up the workforce which is necessary. We have emphasized significantly the issue of wellness and prevention. Our bill will provide coverage for all recommended preventive

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services, remove barriers to access, such as copayment and deductibles for preventive services, and encourage employers to offer wellness programs.

As has been said before, we want to transform the system not only organizationally and financially, but we want to transform it from a system that treats sickness to one that promotes wellness. This legislation will go a long way to do that. And in doing that, it will affect the cost for all of us.

I think we also have to recognize that everyone has to be a part of this effort. If we were to require insurers to take everyone but not require everyone to purchase insurance, we would have the classic problem where the healthy would not buy insurance, the sickest who need insurance would buy it, and the system wouldn't work. It would be too costly for those who need coverage and those who don't have coverage would get sick, and drive the costs up higher and higher. So our legislation requires the responsibility of every American to participate. We will help those who are of

modest income to meet this obligation.

We also are still working through many significant issues. I think the time we now have will be used wisely. There are many different aspects of this legislation that we recognize can be improved, and we hope they will be by the Finance Committee deliberations and by our floor deliberations.

My colleagues are proposing ideas. For example, Senator Rockefeller has suggested that we use the procedure for the Medicare Payment Advisory Commission--these are experts on health care--to provide not simply recommendations but binding policies subject to a vote by Congress on the types of treatments that would be offered, the medical issues that have to be addressed. I think this would give us an interesting way to deal with the issue of effectiveness of treatment as well as cost of treatment, and I think this is something we must consider as we go forward, again, dealing with this issue of cost which is so central.

I raised this issue with Chairman Bernanke, the Chairman of the Federal Reserve. He, in his rather professorial way, certainly recognized the need for reform, but he also stressed that reform from an economic standpoint has to have cost containment, cost controls, and I think this idea Senator Rockefeller has proposed is something that has to be seriously looked at.

We have reached a point now that we need reform. We can't afford to wait. This is the second time in my relatively brief career in the Congress that we have faced the issue of national health care reform. In 1993 and 1994, we faltered. It has gotten worse since then, not better, and it will get much worse if we don't succeed this time.

So I would encourage all of my colleagues to work together. What I sense is that Americans want, need, and deserve access to comprehensive, affordable, quality, efficient health care. That is what my constituents are asking for.

We have a plan for overall reform as well as to bring

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down spending. The current path is unsustainable. Those who advocate a less costly, better health insurance system have an obligation to offer something more than a tax credit proposal here or there or give all of the responsibility to the private sector. We need a real plan. A plan that will give all Americans the security and stability that they need in their health insurance plan. We cannot afford another missed opportunity. I urge all of my colleagues to come together on this most vital of issues and pass health care reform this year.