

United States Senate

WASHINGTON, DC 20510

July 22, 2009

Dear Majority Leader Reid,

In several recent public comments, you have asserted that those Senators who do not support current Democratic health care proposals – that would force millions of Americans into a government-run health care plan – must by default support the status quo and be opposed to fixing the problems in our nation's health care system. This criticism is disingenuous and inaccurate. It also minimizes the grave reservations of Senators from both parties about rushing to pass an unaffordable, government run health program that makes the current problems worse and jeopardizes the current coverage upon which millions of Americans rely.

Like most Americans, we believe that significant reforms are much needed and long overdue. Our current health care system has major problems that include out of control medical costs, lack of coverage, limited choice in which doctor you can visit, hassles over getting your insurance company to pay for medically necessary care, and confusing information about health insurance policies.

We support a common sense health care reform plan that allows patients to keep the coverage they have if they so choose, ensures coverage for millions of Americans, and contains health care costs. It's time for insurance companies, the government, and employers to interfere less. We must put patients in charge of their own health care decisions.

We believe that the Patients' Choice Act (S. 1099) that we introduced on May 20th accomplishes all of these goals without creating new government bureaucracies or increasing costs to taxpayers. This comprehensive legislation would finally put patients in control of their own health care decisions and give states greater flexibility to develop innovative solutions. Unlike other plans being debated, our proposal would also mean that if Americans like the health plan they have, they actually could keep it.

The Patients' Choice Act creates a state level marketplace for health insurance that would allow every American to choose a plan that best meets their own medical needs. These State Exchanges will offer affordable, high quality health insurance benefits indexed to the same standard used for Members of Congress. The exchange would also have guaranteed access to care, so Americans could get coverage, regardless of patient age or health history. Controlling costs through independent risk-adjustment among insurance companies, a state-based independent board would ensure the exchange is fair and offers affordable premiums. And by equalizing the tax treatment of health care, the vast majority of Americans would have more money in their pocket. We think it is a good deal for Americans: most families save money, and every American gets covered, regardless of their health. Unfortunately, current Democratic proposals envision a huge government expansion, which would tax employers, leading to job loss and wage reduction according to the Congressional Budget Office, harming small businesses the most. That is not health care reform nor is it sound economic policy.

Another way we propose reform is through addressing the problems with Medicaid. Many governors have expressed deep concern that some proposals expanding Medicaid as it operates and is financed today is unsustainable. We should take this opportunity to strengthen Medicaid, because today's program has serious problems. Currently, some 15 million families on Medicaid are denied access to about half of medical providers. These families have coverage in name only; they have poorer health outcomes and little access to real care. Our bill changes that by integrating low-income families with dependent children into higher quality private plans through a tax credit and direct financial assistance. Keeping families together within one provider network will foster coordinated, personalized care and promote innovative

patient care models such as medical homes. Plus, the totality of rebalancing the partnership between the federal government and the states would save states about \$960 billion dollars over a ten-year period. The impact on risk pooling in state insurance markets will also be substantial and act as an additional cost constraint for those enrolled in private health insurance plans. Unfortunately, current Democratic proposals would not only defend the Medicaid status quo -- substandard care and poor access -- but they would build on it and force millions of more Americans into this already broken system.

Looking to the future, to build a healthier nation, our bill invests in prevention and wellness for all Americans. Currently, five preventable chronic diseases cause two-thirds of American deaths and consume 75 percent of our total health expenditures each year. These chronic diseases are largely preventable. Our plan's investment in public health and disease prevention will help reduce health care costs and improve the quality of millions of Americans' lives.

Finally, at a time when many Americans struggle to pay their bills and are frustrated with more Washington bailouts and spending, we believe our bill requires no new spending. Our nation already spends twice as much as any other industrialized nation on health care. We do not need more spending on health care, we need a system that reduces costs by expanding options, reducing waste, and ensuring more value of our health care dollar.

Americans deserve an open, transparent, and fair debate about health care reform. Health care affects every American and medical decisions are among the most personal choices we face. Encompassing one-sixth of our economy and consuming one-third of federal spending, health care costs impact every business and every taxpayer. Our proposal provides an innovative and affordable alternative to the current system as well as the proposals advancing in Congress that would create a costly government-run "public option." And unlike the status quo and the proposed government solution, the Patients' Choice Act puts patients in control of their own health care decisions.

We believe that our proposal, cosponsored by six other Senators, meets the goals of the President and the American public to ensure universal access and choice of affordable and quality health care. We are available at your convenience to brief you further and answer any questions you might have about the Patients' Choice Act.

Sincerely,



Tom Coburn
United State Senator



Richard Burr
United States Senator