



August 5, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Reid:

On behalf of the 20,000 members of the National Physicians Alliance, I write to you from the front lines of the health care system to express the urgency with which we see the need for health care reform. As each day passes, more of our patients are losing their health insurance because of job loss or the inability to afford their premiums. Others are having their care delayed or denied by private health insurance companies. As you continue to work with your colleagues to craft a bill, we hope that through the National Physicians Alliance, you will hear the distressed voices of our patients and include the following provisions in the final bill.

Affordability: Affordability is our patients' benchmark for the success of reform, and the eventual Senate bill must protect working families from high premiums and excessive out-of-pocket costs. Premium protections should cover middle class families up to 400% of the federal poverty level, at a minimum, with excessive premium costs subsidized. The percentage of a state's population between 300 percent and 400 percent of FPL is roughly the same across all states – an average of 15 percent plus or minus two percentage points. With the median income for a family of four more than \$70,000 and family insurance premiums averaging \$13,000 – and in many areas higher – it is important that we ensure health care is affordable to middle-income families throughout the country, including in high-cost areas where health insurance is more expensive and in rural areas where residents are less likely to have employer-sponsored coverage. Insured Americans will continue to be at risk for bankruptcy due to a catastrophic health event unless there is a strong benefit package and a cap on out-of-pocket costs. At a minimum, to ensure that coverage is affordable for people of all ages, it is important to limit age-based premium differentials to no higher than a two-to-one ratio, both inside and outside of the exchange.

Public Option: The public and the President have demonstrated clear support for a public health insurance option, and it must be included in the Senate bill. This isn't an ideological demand – it is the primary mechanism we believe will reduce premiums and keep insurance companies honest. With heavy subsidies and a requirement to purchase insurance, insurance companies have no incentive to lower prices and, collectively, have every incentive to keep prices high. A public option is also an important vehicle to drive critical delivery system reforms. Implementing delivery system reforms--in particular, provider payment reforms that promote quality over quantity--are key components of the long-term financial stability of our health care system. Failure to include a strong public option means no benchmark for cost control, spiraling subsidies to private plans, and premiums that are unaffordable for families and unsustainable for the government.



We urge you to eliminate all arbitrary waiting periods that have been applied to immigrant and other populations. As physicians, we care for anyone who arrives at our hospitals but the cost of this care is prohibitive to both the patient and the providers and frequently could have been dealt with by a simple visit to a doctor's office.

A strong public option should be national, available on day one, and have the authority to establish payment rates that pay providers fairly. No matter how well-intentioned, it is unlikely that even a national co-op could wield any more influence over the insurance market than today's "non-profit" health plans – which are often indistinguishable from their for-profit competitors in raising their premiums and denying care.

Employer Responsibility: While most attention has been directed toward people within the exchange, the Senate bill must ensure that health coverage is affordable for the vast majority of our patients who will continue to receive health care at work. A strong employer role is central to guaranteeing affordability of health care benefits for families and for the government. While many workers have negotiated strong benefits, millions of others could be locked into plans that offer a bare minimum in coverage and cost protections. Employers should have a responsibility to offer plans with good benefits, comparable to those in the exchange, and protection from high-cost premiums and out-of-pocket costs, and to pay a reasonable share of premiums. Shared responsibility also requires that all employers contribute to their workers' coverage, with special assistance to low-wage workers in small businesses. In this regard, we have serious concerns about the so-called "free-rider" provision. Requiring employers to reimburse the cost of only employees on Medicaid or who receive subsidies through the exchange will lead to hiring discrimination based on an applicant's age, family size, marital status, or income.

Insurance Market Reforms that Apply to All Insurance: Insurance market reforms, such as those that prohibit premium rating based on health status, claims experience, gender, and age, should apply to the sale of all health insurance products – not just those offered in the individual and small group markets. To limit these important insurance market reforms would ultimately penalize businesses that grow by a single employee beyond the protections of the small group market, and leave these moderately-sized businesses with no protection from harmful insurance industry practices.

Physicians are exasperated. On a daily basis we find it increasingly difficult for our patients to access the care that they need. We see patients in the middle of chemotherapy who no longer have the ability to pay for it; pregnant women struggling to continue prenatal care; and many patients skipping pills or foregoing important preventive care. Some patients even leave the hospital despite needing further attention because of high deductibles they cannot afford to pay. Doctors are regularly faced with the difficult decision of how to initiate or continue needed care, knowing the patient has no way to pay for it. It is from the front lines of patient care that we come together from across the United States to strongly urge the Senate to adopt these core provisions in the legislation under consideration and in the messages delivered to the American people during the August recess.

Last week we stood with you and organizations representing 450,000 of our physician colleagues in



support of health care reform. We will continue to stand with you and all of your Senate colleagues in the months ahead to achieve and implement these critical reforms.

Sincerely,

A handwritten signature in black ink, appearing to read 'Valerie A. Arkoosh'.

Valerie A. Arkoosh, MD, MPH
President-elect
National Physicians Alliance