

Response to President Obama's Health Care Reform Address to Congress: Talking Points

September 9, 2009

- Last night the President stated that in reforming our nation's health care system, we must "build on what works and fix what doesn't." We agree with that statement.
- We also agree that offering "the status quo as a solution" is not acceptable. That is why we have suggested a menu of meaningful market-based reforms that build on what works and fix what does not work.
- Employers for Quality Health Care applaud the President for his remarks emphasizing the importance of providing more incentives for preventive care; however, we must not lose sight of the fact that reform will not be successful unless consumers are empowered to make informed, responsible health care decisions and providers are rewarded for quality over quantity.
- The President briefly mentioned the need for medical malpractice reform in order to end this tendency towards "quantity," or defensive medicine. We believe this is a crucial element to a successful reform. Without any concerted efforts to address our nation's medical malpractice laws, our ability to decrease our health care costs is severely hampered. Many states, like those we represent, have already pushed for medical malpractice reforms. These efforts, however, must be matched by more aggressive action at the federal level in order to truly modernize our civil justice system.
- The President claims that without more competition in the health insurance market, the price of insurance goes up and quality goes down. Absent from the President's remarks, however, is any recognition that an increasing number of health insurance mandates continues to translate into higher health insurance costs for employers and employees. For that reason, Employers for Quality Health Care support eliminating costly mandates and removing artificial barriers that restrict competition.
- Employers for Quality Health Care strongly oppose the continued push to force employers to purchase health care coverage. An employer mandate does not reduce health care costs, but rather limits employers' ability to offer innovative and flexible health benefit options.
- Employer-sponsored coverage is an example of what works in the system. Employers offer health benefits because it makes solid business sense. It is a crucial tool for attracting and retaining a high quality workforce. The increasing cost of health care has become increasingly problematic for employers of all sizes. Financially penalizing these employers through new payroll taxes and the elimination of other tax incentives, however, is a backwards approach to the problem and will only slow economic recovery and growth.
- Our organization also continues to oppose any new government-run health plan, or a public option. We have tremendous concerns regarding the government's willingness to reimburse doctors and hospitals for the actual cost of the treatments they provide. The proposals before Congress only offer to cover a small percentage of these costs. The President's remarks last night did not promise any change to that approach.
- President Obama remarked that those who have health insurance pay a "hidden tax" of about \$1,000 per year for uninsured individuals who access care through the emergency room. Individuals and employers with private health insurance also pay a "hidden tax" for the government's inability to adequately reimburse providers under Medicare and Medicaid that studies have shown can amount to as much as \$90 billion a year.

- The cost-shift problem is real, both in the case of the uninsured and those insured under existing government health plans. This must not continue to be ignored by the President and Members of Congress.
- The President's goal of moving the debate beyond the poisonous and partisan rhetoric in the health care reform debate that has emerged over the past couple of months is a respectable goal and one that should be heeded by both the President and Members of Congress over the next two months.
- The path to secure and stable reform is not achieved along a political divide and it is not achieved overnight. In each of our member states, we have seen what works and what does not work in the path to health care reform. As we stated in our letter to you on September 1, we continue to offer our organization as a resource as we all move forward in this effort.