RELEASE IN PART B6

From:	Mills, Cheryl D <millscd@state.gov></millscd@state.gov>
Sent:	Wednesday, September 16, 2009 10:54 AM
То:	н
Subject:	FW: Today's Health Insurance Reform Talking Points

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From: Milakofsky, Benjamin E. Sent: Wednesday, September 16, 2009 10:01 AM To: Lu, Christopher P.; Smith, Elizabeth S.; Kimball, Astri B.; Hurlbut, Brandon K.; French, Michael J.; Taylor, Adam R.; Milakofsky, Benjamin E. Subject: FW: Today's Health Insurance Reform Talking Points

Dear Chiefs of Staff:

Please see the below talking points on Health Insurance Reform.

--Cabinet Affairs

Talking Points: The New Numbers – Health Insurance Reform Cannot Wait

- Today, the Department of Health and Human Services released a new state-by-state analysis of last week's U.S. Census data on the uninsured. The results are a sobering reminder that health insurance reform cannot wait another year.
- Nationwide, the number of uninsured increased from 39.8 million in 2001 to 46.3 million in 2008.
 - With the exception of Massachusetts which enacted its own version of health insurance reform in 2006 – every state in the nation has seen its uninsured population grow or remain unacceptably high from 2001 to 2008.
 - And these numbers don't even include those who have lost their insurance in the recent recession or have had coverage gaps of shorter than a year.
 - In nearly every state, private coverage is eroding with the percentage of people covered by employerbased coverage decreasing.
- The new numbers also drive home the scary reality that losing health insurance could happen to any of us.
 - Across the nation, more and more working Americans are uninsured, left without protection from health care costs.
 - Even among high-income households, the ranks of the uninsured are rapidly growing.
- In America, nobody should go broke because they get sick. The time for the usual Washington bickering is over. Now it's time to act.
- That's why President Obama has developed a health insurance reform plan that borrows good ideas from Democrats and Republicans and addresses three basic goals: If you have health insurance, it will give you more security and stability. If you don't have insurance it will give you quality, affordable options. And it will lower the cost of health care for our families, our businesses, and our government.

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- For Americans with insurance, President Obama's plan will put an end to some of the worst insurance-industry
 practices, like denying you coverage because of a pre-existing condition, or dropping or watering down your
 coverage when you get sick and need it most.
- For those without insurance, it will provide affordable options the same way Members of Congress get them: by creating an exchange where you can leverage the purchasing power of a large group to get reasonable prices and choose the option that's best for you and your family.
- The President absolutely will not sign a bill that adds even a dime to our national deficit.

Talking Points: Expanding Health Care Coverage for Americans with Disabilities

- There have been a lot of myths and falsehoods about coverage spread by people who want to defeat health insurance reform, and we've heard from many concerned parents including some on Capitol Hill yesterday -- who are worried that because their child has a disability, under health reform they won't be able to get the coverage they need as a result of rationing. That simply is not true.
- In fact, the health reform proposals the President has put forward will improve the ability of people with disabilities and parents of children with disabilities to get health care. It will provide them with more choices for care and will bring more stability to the coverage of those with disabilities.
- Under the President's health insurance reform proposal, insurance companies will be prohibited from denying coverage because of a preexisting condition or arbitrarily capping the amount of coverage you can receive in a year or a lifetime making it easier for people with disabilities to get the coverage they need.
- The President's proposal will protect Medicaid for children, including its EPSDT benefit, ensuring that lowincome children with disabilities to get needed treatments and services.
- And under the President's proposal, if you're happy with your current doctor and happy with your current coverage, you can keep it. Nothing in his plan will require you or your employer to change the coverage or the doctor you have.
- The hard truth is, rationing exists right now in our health care system. Under the status quo, health insurance companies decide what care you can and can't have, based not on which treatments you need, but what type of insurance you have.
- But the health insurance reform that the President has proposed will mean the opposite -- expanded coverage and lower costs. It will offer more choices for care for those with disabilities, not fewer. It will bring more stability and security to families of those with disabilities who currently have insurance, and it will expand coverage for those who don't.

Talking Points: Seniors Groups Reject Insurance Industry Defense of Overpayments to Medicare Advantage

- Yesterday, two leading seniors groups rejected the insurance lobby's report in defense of overpayments to the Medicare Advantage program, which pad insurance company profits with unwarranted taxpayer subsidies and don't improve the health of our seniors.
- The AARP said, "We believe this study underscores the fact that private plans in Medicare can achieve savings without relying on billions in excess government payments."

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- And the Medicare Rights Center said the AHIP report "does not make the case that care is consistently better in Medicare Advantage plans or that subsidies to these plans should continue."
- President Obama is committed to ensuring that the dollars in the Medicare trust fund go toward improving the quality of care for seniors rather than to support the operations of private insurance companies.
- By eliminating unwarranted subsidies to private Medicare plans that lead to payments that are, on average, 14% more than traditional Medicare, we will be able to cut down on waste and help to extend the solvency of the Medicare Trust Fund.

Full Statements on AHIP Report

AARP Executive VP John Rother: "AARP has long been a champion of improving care coordination, chronic disease management and prevention. That's why we're fighting for the kinds of health care reforms that this study advocates like reducing avoidable hospital readmissions and providing better access to preventive care.

"AHIP's analysis of hospital stays and readmissions reinforces the need for better follow-up care in traditional Medicare. We know from the nonpartisan Congressional Budget Office that reducing avoidable hospital readmissions could save more than \$19 billion over the next ten years. That's why we're working to ensure a final health care reform bill adds a follow-up care benefit to traditional Medicare to help both patients and their family caregivers by keeping them healthy and out of the hospital in the future.

"Today's report notes that many private Medicare plans already offer similar, money-saving services. Traditional Medicare should be strengthened with the addition of a follow-up care benefit that would achieve smoother transitions from hospital to home, which would both save money and improve care.

"We're pleased that some insurers are providing these important services to their members. AARP believes that those Medicare Advantage plans that deliver high quality care should receive bonus payments. The use of bonus payments for quality performance has been endorsed by the Institute of Medicine and the Medicare Payment Advisory Commission as a powerful tool to improve the performance of our health care system and reduce variations in quality, and is a sound basis for future Medicare payment system reforms.

"We believe this study underscores the fact that private plans in Medicare can achieve savings without relying on billions in excess government payments. The savings available from eliminating costly and preventable hospital readmissions show clearly that MA plans should be able to compete based on the quality of care they provide, not on overly generous subsidies from taxpayers, which do little to help the majority of Medicare beneficiaries and drive up premiums for all."

Medicare Rights Center President Joseph Baker: "While a study released today by AHIP, the lobby group for private health insurers, on hospital readmissions in Medicare Advantage plans and Original Medicare does indicate that certain Medicare Advantage plans may be able to perform well, it does not make the case that care is consistently better in Medicare Advantage plans or that subsidies to these plans should continue. The study looked at hospital readmissions in only two states, California and Nevada, which have a long history of high quality HMOs, but the Medicare Payment Advisory Committee has shown that the increase in subsidies to Medicare Advantage plans (now paid on average 14 percent more per enrollees than Original Medicare) has led to an influx of new plans that do a worse job delivering care. The AHIP study also showed wide variation in hospital readmissions, including preventable readmissions, in different hospitals and in areas of the states served by different health plans. That argues for a payment system that rewards both hospitals and health plans for reducing preventable readmissions and other quality measures, as required in health reform legislation being considered by both the House and Senate, not for continuing the current system of subsidies to private insurers."