

★  OFFICERS of the
PROGRESSIVE CAUCUS
of the CALIFORNIA DEMOCRATIC PARTY

President Barack Obama
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

February 22, 2010

Dear Mr. President:

In your state of the union speech you asked if anyone had a better solution to healthcare reform. The House and Senate bills are convoluted, complex and costly and will fail because they do not address the two most important consumer considerations—costs and benefits. There are concerns that the insurance industry and conglomerates will evade controls on pre-existing conditions and make the policies too costly.

We in California know only too well how conniving the industry is when it comes to the issue of regulating cost control as demonstrated in a recent LA Times article by Duke Helfand ***“California's largest for-profit insurer raising rates by up to 30-39% on individual policies”***. The article states the following:

California's largest for-profit health insurer is moving to dramatically raise rates for customers with individual policies, setting off a furor among policyholders and prompting state insurance regulators to investigate.

Anthem Blue Cross is telling many of its approximately 800,000 customers who buy individual coverage -- people not covered by group rates -- that its prices will go up March 1 and may be adjusted "more frequently" than its typical yearly increases....

The insurer declined to say how high it is increasing rates. But brokers who sell these policies say they are fielding numerous calls from customers incensed over premium increases of 30% to 39%, saying they come on the heels of similar jumps last year.

"I've never seen anything like this," said Mark Weiss, 63, a Century City podiatrist whose Anthem policy for himself and his wife will rise 35%. The couple's annual insurance bill will jump to \$27,336 from \$20,184.

Over the past six years, California residents WITH INSURANCE POLICIES have been denied coverage by their insurers 43 million times. Nationwide 62% of all personal bankruptcies are due an inability to pay medical bills. 75 % of these cases are people WITH INSURANCE

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POLICIES. These are people who have paid escalating premiums, high deductibles and costly co-pays yet are denied care. This is scandalous, if not criminal. Legislation being considered does not address these issues of denial of care to policy holders nor exorbitant and inadequate insurance policy costs. Europeans with single payer universal systems do not suffer these serious consequences of an unaffordable and insufficient system.

Specifically in your State of the Union address, you asked "But if anyone from either party has a better approach that will bring down premiums, bring down the deficit, cover the uninsured, strengthen Medicare for seniors, and stop insurance company abuses, let me know."

In response to your request, we recommend that the House of Representatives bring HR 676 (Conyers) to the floor and the Senate bring forth S 703 (Sanders) to begin the debate for real health care reform which would be to expand and improve Medicare to cover everyone.

The insurance industry will never allow real reform and therefore they cannot be allowed to control this debate. The American people understand Medicare. We pay for it, support it and depend upon it. A publicly financed, privately delivered health care system is the solution to our current dysfunctional and irrational system. Even Republicans support Medicare as they demonstrated in their unanimous vote against an amendment to eliminate it in the House Energy and Commerce committee offered last summer by Congressman Anthony Weiner (NY).

At the very least Congress should act to strictly regulate the health insurance industry which could be done through the establishment of a national regulatory commission to regulate the insurance companies like public utilities used to be regulated. Such a commission would regulate premiums, profits and executive compensation, as well as coverage of pre-existing conditions and rescission practices. To cover people who can't afford coverage, the insurance companies would pay into a pool for the uninsured.

Medicare Part D should be amended to allow government negotiation with the pharmaceutical companies, to repeal McCarran-Ferguson and the prohibition of purchases from other nations while enforcing the Sherman Anti-Trust Act. Any amendments to legislation should be implemented within one year of enactment.

Mr. President Medicare for All, single payer health care is politically feasible if our elected officials, including you, support it. You have the power to determine what is politically feasible and what is not. You have the American people behind you on this – we are suffering terribly under the weight of a health care system that chooses who will live and who will die based on ability to pay.

Health care is universally recognized as a Human Right not a consumable good - there is no choice between health and illness. This reform cannot wait. 45,000 Americans die every year due

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to lack of medical care. It is a national disgrace and domestic disaster, to needlessly suffer more than 10 times the deaths resulting from the 9/11 attacks. We suffer this criminal travesty every year due to corporate greed!

The forces that are preventing meaningful healthcare reform are the same ones preventing meaningful global warming legislation and banking reform—our government is putting the corporate profits over the public good. This is change we can believe in.

Please Mr. President, seize the fact that opportunity has knocked again on health care reform - set the debate by proposing that which you know in your heart to be the only humane, fair and economically responsible way to ensure that every American has health care as a human right, propose Medicare for All and negotiate from the position of power that you and you alone hold.

Respectfully,

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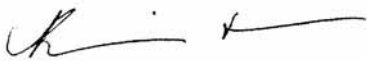
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