



December 10, 2019

The Honorable Frank Pallone, Jr.
Chairman
U.S. House of Representatives
Committee on Energy and Commerce
Washington, D.C. 20515

The Honorable Greg Walden
Ranking Member
U.S. House of Representatives
Committee on Energy and Commerce
Washington, D.C. 20515

Dear Chairmen Pallone and Ranking Member Walden:

Thank you for conducting a hearing on “Proposals to Achieve Universal Health Care Coverage.” The Healthcare Leadership Council (HLC) appreciates the opportunity to share its thoughts with you on this important issue.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation’s healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century healthcare system that makes affordable high-quality care accessible to all Americans. Members of HLC – hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, laboratories, biotech firms, health product distributors, post-acute care providers, home care providers, and information technology companies – advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

H.R. 1384, Medicare for All Act

Like you, HLC believes all Americans should have access to affordable coverage of high-quality healthcare. However, a universal healthcare system as outlined in H.R. 1384, the “Medicare for All Act” is not a practical solution. Polling has consistently shown Americans are not seeking a radical overhaul of our healthcare system. Further, there is no compelling evidence they would be better off if it did occur. The most striking aspect of a single payer healthcare system is not what it gives to millions of working families and individuals, but what it takes away. It forces everyone, no matter how much they value their current health coverage, to give that up and enter into a one-size-fits-all system that would require significant tax increases to provide adequate financing.

H.R. 1277, State Public Option Act and H.R. 1346, Medicare Buy-In and Healthcare Stabilization Act

It is impossible to overstate the extent to which a government-run public health insurance option (such as called for in H.R. 1277, the “State Public Option Act”) or a Medicare buy-in approach (as proposed in H.R. 1346, the “Medicare Buy-In and Healthcare Stabilization Act”) could destabilize the health insurance marketplace and generate unexpected adverse consequences for consumers and healthcare providers.

Assuming that a public option or Medicare buy-in are successful in attracting a significant number of enrollees – entirely probable because the government would have the power to establish below-market out-of-pocket costs – private health plans would find it more difficult to remain competitive in the individual coverage marketplace and some would undoubtedly cease participation. In fact, a recent study by FTI Consulting found that, over the next decade, up to two million enrollees in the individual marketplace would lose their private health insurance coverage in the event a public option is enacted.

Should this occur, not only will we see Americans lose choice in their healthcare decision making, but also healthcare providers and participants in employer-based private insurance plans could be harmed if a public option or Medicare buy-in utilizes Medicare-level reimbursement levels. That would force a destructive level of cost shifting. Thus, HLC strongly urges Congress to oppose both H.R. 1277 and H.R. 1346.

Healthcare is currently in a period of evolution, transitioning from a fee-for-service system to one that emphasizes value, improved outcomes, elevated population health, and greater cost-efficiency. To halt this progress in order to create a massive new healthcare system would serve the interests of neither taxpayers nor patients. HLC believes that Congress should continue improving and building upon the current healthcare system instead of pursuing a universal healthcare system that would set back patient-centered health innovation instead of advancing it. These improvements could include:

- Establishing a permanent health reinsurance program to help lower premiums for all consumers in the individual insurance market.
- Encouraging states to establish their own reinsurance programs, perhaps through state waivers in which the reinsurance program is partially funded by federal passthrough savings.
- Revising federal assistance to help more people afford coverage through premium tax credits in addition to cost-sharing protections to help lower-income consumers access medical care.
- Increasing federal funding for outreach and awareness to encourage consumers to purchase and maintain health insurance coverage.
- Fixing the family glitch in which the cost to add family members to an individual’s employer-sponsored health insurance is not considered when determining “affordability.”

- Offering employers and consumers more choices for their coverage, increasing competition in the marketplace (e.g., value-based insurance designs).
- Modernizing health plans that are linked to health savings accounts

Thank you for the opportunity to share our concerns regarding these legislative proposals to advance universal healthcare coverage. HLC looks forward to continuing to collaborate with you on this important issue. If you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435 or dwitchey@hlc.org

Sincerely,

A handwritten signature in black ink, appearing to read "Mary R. Grealy". The signature is fluid and cursive, with the first name "Mary" being the most prominent.

Mary R. Grealy
President