

## **Testimony before the House Committee on Energy and Commerce June 25, 2009**

My name is Dennis Rivera, and I am chair of SEIU Healthcare. The Service Employees International Union is the largest union in the United States, and the 1 million caregivers of SEIU are especially committed to reforming our nation's broken healthcare system.. Chairman Waxman and members of the Committee, SEIU applauds you for the discussion draft Tri-Committee bill released on June 19.

Americans are ready to fix healthcare. According to a poll conducted in April by the Kaiser Family Foundation, 6 in 10 Americans say that they or a member of their household have delayed or skipped medical treatment in the past year. A solid majority of the respondents agree that the current economic crisis makes it more important that we reform healthcare now. As a union of more than 1 million healthcare workers—in hospitals, clinics, nursing homes, and in homes and communities—the Service Employees International Union knows these workers, their families, and their communities. While working in the healthcare system, they not only witness the failed system, but also experience it firsthand.

The uninsured are not just statistics. They are hardworking people such as Pat DeJong of Libby, Mont., an SEIU member who works as a home care aide. Pat and her husband Dan were ranchers, but had a hard time finding affordable coverage, and were uninsured when he was diagnosed with Hodgkin's lymphoma in 2000. The medical bills piled up for Pat and Dan, eventually forcing them to sell the land they loved and that had been in Dan's family for generations. Dan succumbed to cancer and Pat remains uninsured. We can and must do better for hardworking families such as the DeJongs.

The importance of reform cannot be overstated. A comprehensive approach to healthcare reform that expands coverage to everyone is the only approach that will slow healthcare costs and preserve coverage for those who have it now. If we allow high medical bills to drive families deeper in debt, and rising healthcare costs to put a drag on our economic recovery, we will not restore consumer confidence and generate the number of good U.S. jobs needed to put our country back on the right track. Reform must eliminate barriers to quality, affordable healthcare by decreasing

costs, eliminating waste, and ensuring consumer choice and access. This is the type of reform that will help people such as Pat and many other Americans who go untreated.

Your discussion draft includes many essential elements that will promote coverage and access, cost containment, and improved quality and value:

**The Public Plan:** We applaud the Committee for including a public plan option in the discussion draft. A strong public health insurance option is vital to ensuring consumer choice and access. The public plan will drive down the costs of insurance by competing with private insurers and lowering overall costs. A reliable public plan assures consumers they will have continuity and stability in their coverage, while private plan offerings often change year to year, and are often scarce in rural areas. Wide availability of a public plan is a necessary part of a comprehensive cost-containment strategy. The plan will have lower administrative costs and offer less red tape through standardized forms and simpler policies for consumers and providers. According to the Urban Institute, there is increasing consolidation of both hospital systems and insurers, and a public plan can help create competition where it is lacking in consolidated markets, thereby lowering costs and ensuring consumer choice.

**Medicaid Expansion:** We support the increase in Medicaid eligibility for families up to 133 percent of federal poverty. The discussion draft also would improve Medicaid payments to primary care practitioners to address concerns about access to needed services by Medicaid beneficiaries. We caution the Committee that safety net providers and systems must be protected to provide access and support to low-income communities, and to maintain a mission that includes trauma care and disaster preparedness. Special payments to these facilities, such as disproportionate share payments, must be maintained as coverage expands. In addition, essential community providers must be included in insurance plans that serve Medicaid beneficiaries and individuals eligible for healthcare credits.

SEIU is pleased to see that the Committees recognize the need to improve the treatment of Puerto Rico and the territories under Medicaid by increasing their caps and federal matching rates, and we urge you to retain this provision to address longstanding inequities and strengthen access and coverage.

**Shared Responsibility:** Employers, individuals and government must all do their part to make sure we have a sustainable and affordable system that covers everybody. The journal *Health Affairs* recently published a paper by Bob Blendon and colleagues showing stronger public support for a shared responsibility approach to reform compared to an approach that relies solely on individual responsibility<sup>1</sup>. For employers that do not provide meaningful coverage to their employees, they must pay into a fund. This “pay or play” requirement is necessary to ensure individuals can meet their responsibility to obtain affordable coverage. We especially support provisions to provide small businesses with tax credits and access to an insurance exchange to help them purchase coverage for their employees.

**Affordability:** Individual responsibility must be augmented by measures to ensure affordability. We commend the Committee for offering federal financial assistance to individuals and families with low and moderate incomes, and those with high healthcare costs relative to their incomes, to guarantee affordability. Affordability credits for families between 133 percent and 400 percent of the federal poverty line, the Medicaid expansion, and the cap on premium contributions and out-of-pocket expenses will make healthcare more affordable, and thereby more accessible, for millions of working families.

**Eliminating Disparities:** We congratulate the Committee for recognizing disparities in access to quality healthcare. No one should be discriminated for pre-existing conditions. No one should be discriminated for being low-income, minority, disabled or aged. Everyone deserves quality care. To that end, healthcare inequities must be addressed. We fully support the Committee’s inclusion of a provision to collect data on healthcare access and quality disparities.

**Workforce:** As coverage grows, so must the healthcare workforce. Today there are chronic shortages in almost every area of healthcare from primary care physicians to nurses to long term care workers. Healthcare reform, to be effective, must include a diverse, well-trained workforce that is working in the appropriate settings across the delivery system, and is well-distributed in both urban and rural areas. We applaud the Committee for including provisions to improve

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<sup>1</sup> Tara Sussman, Robert J. Blendon, Andrea L. Campbell, “Will Americans Support the Individual Mandate?”, *Health Affairs*, May/June 2009.

payment systems for primary care physicians, expanding the pipeline of individuals going into health professions, increasing support for workforce diversity and expanding financial assistance for individuals in needed professions and shortage areas. A larger, stronger, diverse, cultural competent workforce is crucial to building a healthcare system that works for everyone.

**We Must Seize this Moment:** Each year we fail to address the growing healthcare crisis, we fail Americans such as Sarah Posekany of Cedar Falls, Iowa. In 2009, we have a historic opportunity to give Sarah the chance to live the American Dream by enacting comprehensive healthcare reform. Sarah is a young adult who has been living with Crohn's disease since she was 15 years old. The disease made it difficult for her to begin college, so she lost eligibility and was dropped from her parents' health insurance plan. Sarah's condition caused her to incur hundreds of thousands of dollars in medical bills as she had multiple surgeries; and she was forced to declare bankruptcy. Sarah is working now, but her plan won't cover her ongoing costs related to treating Crohn's disease for an entire year; and her specialist is not in the plan's network. Sarah wants to enroll in a community college but her poor credit rating disqualifies her from student loans.

Pat DeJong, Sarah Posekany and millions of other hardworking Americans shouldn't have to wait any longer in America for quality, affordable healthcare coverage.