

April 3, 2006

Dr. Larry Phipps  
123 XXXXXXXXX  
XXXXtown, IA

Dear Larry:

I appreciate you contacting me regarding association health plans (AHPs). In my travels around the state, I continue to hear from Iowans about the exorbitant costs of health insurance. Small businesses simply can't afford to provide health care for their employees.

I agree that we need to take steps to lower the cost of health care. However, I do have concerns about AHPs that I would like to share with you. A study done by the Congressional Budget Office (CBO) concluded that AHP legislation would increase premiums for the majority of employees in small firms and decrease the amount of services covered. In addition, individuals enrolled in AHPs would lose important state consumer protections, and insurers that offer AHPs could design benefits packages to encourage only the healthiest join - making health insurance less affordable for groups with greater health care needs.

That being said, I share your concerns regarding the growing number of uninsured Americans. This year, nearly 44 million Americans will live without health coverage. That number includes an estimated 8.5 million children.

Millions of working Americans without health insurance are being forced to make hard decisions about their health. A recent study by the Kaiser Family Foundation found that 37 percent of uninsured Americans did not fill a prescription because of cost, compared to 13 percent of the insured. Nearly half of uninsured Americans have problems getting access to needed medical care, and more than a third have problems paying for whatever care they do get.

Americans need access to quality, affordable health care coverage. Some proposed solutions - including small tax credits and high-deductible insurance policies - do not adequately address the underlying problems. I believe that access to quality health care should be a right, not a privilege. It should be a right because people's lives, their security, and their ability to contribute to society are all undermined if they are not healthy. I also believe that access to health care coverage saves taxpayer money in the long run. Bear in mind that U.S. taxpayers spend billions annually due to overuse of emergency rooms, treatment of chronic conditions and treatment of the uninsured.

We should explore innovative ways to cover the uninsured. I am a proud co-sponsor of S.637 the Small Employees Health Benefits Program Act of 2005. This bill would give more Americans access to the Federal Employees Health Benefits Program, the program that covers members of Congress, congressional staffers and many federal employees. Larger purchasing pools such as this are able to reduce insurance rates, guarantee coverage of existing conditions and provide access to quality health care coverage. These solutions hold genuine promise, and we need to pursue them aggressively.

Finally, our entire health care system needs to be oriented away from one that only treats specific conditions to one that promotes prevention of illness in the first place. I believe the government can play a useful role in this process by encouraging businesses to promote healthy living for their employees, challenging the insurance industry to reduce health insurance premiums for people who lead healthy lifestyles, changing the way Medicare reimburses doctors and hospitals for preventive care, and by promoting healthy eating and exercise habits through our schools. I have introduced legislation - S. 1074, the Healthy Lifestyles and Prevention Act of 2005 - to accomplish many of these goals. Shifting the way we think about health care will lead to lower costs in the long run for all Americans.

Again, thanks for sharing your views with me. Please don't hesitate to let me know how you feel on any issue that concerns you.

Sincerely,

Tom Harkin  
United States Senator

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