

COMMITTEE ON ARMED SERVICES
COMMITTEE ON
COMMERCE, SCIENCE AND TRANSPORTATION
COMMITTEE ON VETERANS' AFFAIRS

United States Senate
WASHINGTON, DC 20510

May 13, 2009

The Honorable Max Baucus
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator  Baucus:

Thank you for your leadership on health reform. I appreciate the fact those of us new to the Senate can look to your expertise as a solution comes into focus. Thank you, too, for the early briefing you provided to some of us in March. You asked us then to contribute our thoughts; with this letter I am taking you up on that offer.

I agree with you our work on health reform is driven by one overarching goal: When Congress and the President have taken action together 46 million Americans currently without health insurance will indeed be covered. This historic action will secure a brighter future for our country and help make America a place of healthier people, families and communities. Given that ambitious premise, here are the health reform priorities I hope to see included the final package:

Protecting and strengthening small business

America's small businesses will drive our economic recovery – most new jobs are likely to come from small, private-sector employers. At the same time, any plan to assure health coverage to all Americans must rely heavily on employer-provided insurance. Many small businesses currently can't afford to cover their workers. In Alaska, for example, some 15,000 employees in businesses with fewer than 25 workers get health benefits – while more than 30,000 workers in this category have no employer-provided care. In contrast, more than 90 percent of Alaskans in businesses of 25 or more get health insurance through work.

To keep the costs of an employer mandate from falling disproportionately onto the smallest companies that currently can't afford coverage we must provide tax credits or subsidies. I am especially concerned about the self-employed, which in Alaska includes commercial fishermen, charter boat operators, realtors, skilled craftspeople, hunting guides, store owners and many others. As individuals, the self-employed deserve the same access to affordable quality health care; as business owners they should get the same tax benefits as larger companies.

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Certainly your idea of a national health insurance exchange would provide the self-employed and small businesses more choices for affordable and meaningful coverage. If an exchange requires true insurance market reform (such as no more denials based on pre-existing conditions, gender, or poor family health histories), competition among carriers would be spirited; this would level the playing field for small businesses currently unable to afford any coverage.

Addressing our nationwide health workforce shortage

This is a serious problem everywhere – especially in Alaska. When we are successful in providing health care coverage to 46 million currently uninsured Americans, the first question will be, “Who is going to provide their primary care?” According to a task force in Alaska, my state needs 59 new physicians a year to serve a growing population and offset the expected loss of about 40 doctors annually to retirement or relocation. Given the years it takes to educate and develop new doctors (compared to less time for other providers), we may have to phase in coverage for the uninsured.

The solution is not just more doctors. There must be an expanded role for providers such as physician assistants, advanced nurse practitioners, nurse anesthetists, dental health aides and other health professionals. Recommended strategies in Alaska include increasing the number of state-subsidized medical school seats, increasing the number of residency positions in Alaska, and expanding loan repayment programs. I note your “Call to Action” white paper discusses similar nationwide strategies.

I was pleased to see, too, that the President’s FY2010 budget addresses the workforce shortage, with about \$1 billion proposed to expand loan repayment and scholarship programs for physicians, nurses and dentists in medically underserved areas. His budget also enhances nursing school capacity, increases access to oral health and encourages minority and low-income students to enter the health workforce. All of this is good news, but the challenge is great. I support the Finance Committee’s idea of a health workforce commission to develop a comprehensive and coordinated national strategy.

Making a serious, well-funded commitment to prevention

As we tackle reform in this Congress we need to convert the current “sick care” model into a smarter approach recognizing the significant cost savings and increased worker productivity that will come from disease prevention and health promotion. Your whitepaper cites alarming national statistics about the economic burden of chronic diseases.

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In my state, obesity-related medical treatment alone costs Alaskans \$195 million annually and at least \$46 million of this total is paid through Medicaid and Medicare. A worst-case example: Alaska Medicaid recently paid \$379,000 for one patient with end-stage renal disease caused by diabetes. While Americans' personal decisions about diet, exercise and tobacco will make the biggest difference, national health reform should promote healthy decision-making through policy leadership and funding for community-based change.

I applaud the proposed "RightChoices" and prevention innovation grant options outlined in the Finance Committee's latest walkthrough document. I agree – grants should be made to states until coverage options are available through a health insurance exchange to allow uninsured Americans access to evidence-based prevention such as tobacco screening, immunizations, and hypertension and obesity screening. I also support expanded preventive coverage in Medicaid and Medicare, and tax credits for employers providing comprehensive wellness programs to their workers.

Strengthening the Indian Health Service and reducing health disparities

As you have suggested, current funding levels for the Indian Health Service (IHS) are unacceptable – with basic care often foregone because of underfunding. Any serious effort at health reform must fix this – which, in turn, will help us meet the related challenge of reducing alarming health disparities among American Indians/Alaska Natives (AI/AN). Just a few examples from the Office of Minority Health: AI/AN adults are 2.3 times more likely than Caucasian adults to be diagnosed with diabetes and twice as likely to die from it; AI/AN adults are 60 percent more likely to have a stroke than their non-Native counterparts, while AI/AN infants are 3.6 times as likely as Caucasian babies to have mothers who begin prenatal care late or don't get prenatal care at all.

Again, the President's FY10 budget makes a significant good start: \$4 billion for the IHS, a proposed increase of \$454 million. This new funding will support tribes as they work to administer programs at the local level and, when needed, pay for needed care outside the IHS system. I will work with you in the Senate to support this important new investment.

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Improving veterans' health care, especially access

The health needs of current and former soldiers are addressed mostly in the Veterans Affairs Committee, of which I am a member. While work on these issues continues outside the general scope of health reform, I want to ensure veterans health is taken into account as the Senate moves forward. I envision a system where veterans can go to any nearby health provider without preauthorization, get the care they need, and have it covered by the Veterans Administration (VA).

In addition, I call to your attention the "Family Caregiver Program Act of 2009," which authorizes the VA to provide training and a stipend to caregivers, who in turn can become certified to assist their loved ones with needed care. Greater support for family caregivers is a smart way to provide easier access to the care our wounded warriors deserve. The "Rural Veterans Health Care Access and Quality Act of 2009" will help address the national shortage of health providers by boosting the VA's ability to recruit and retain providers by eliminating the current loan repayment limit, providing incentives for new telehealth services and reimbursing health-related airfare for veterans whose incomes are above the pension limit.

Thank you, once again, for your leadership on health reform. I stand by to answer your questions, provide more details on any of these issues and to assist you in any way I can.

Sincerely,



Mark Begich
United States Senator