July 27, 2009

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

As you know, the U.S. Chamber of Commerce has been a vigorous advocate of reforming our health care system for some time. The current health care system is inefficient, unpredictable, expensive and has become a competitive weight on small, medium, and large U.S. companies. To ensure the nation’s continued leadership in health care innovation and competitiveness of U.S. companies, it is important that Congress adopt real health care reform now.

The Chamber applauds your commitment to develop a comprehensive plan that garners bipartisan support in the United States Senate. Restructuring one-sixth of the U.S. economy is too important to pursue on a one-party basis. Unfortunately, the U.S. House has done just that. Some fear that broad-scale public support for health care reform will wane over the August recess because the only detailed legislative proposal that has been adopted is the product being considered in the House. The House proposal will not generate widespread public support and moves in the wrong direction.

The Chamber is committed to improving our America’s health care system, in terms of restraining health care costs, improving the quality of care, and ensuring every American has access to affordable coverage. However, we believe that the legislation currently being considered in the House would not improve the system, but would jeopardize the parts of the system that currently work. The House Tri-Committee bill does nothing to “bend the cost curve.” To the contrary, Doug Elmendorf, Director of the nonpartisan Congressional Budget Office, warned House leaders the “curve is raised.”

The creation of a new government-run insurance plan is a step in the wrong direction. Employers already suffer a significant cost-shift from existing public programs. We do not believe that the government plan will be a fair competitor. We are further concerned with a proposal to mandate that employers either provide health insurance or pay huge fines or payroll taxes.
Businesses, as providers of health care benefits, continue to see health care costs rise far in excess of GDP growth or inflation. The cost trajectory is clearly unsustainable.

The Chamber encourages the Senate Finance Committee to focus on consensus areas that can accomplish the goal of comprehensive, bipartisan health care reform. Chief among these should be initiatives to improve quality and lower costs, introducing fair regulation of the insurance market, and facilitating a competitive marketplace for consumers. The Chamber also believes that it is important for the Committee to act promptly, preferably before the August recess, to approve a bi-partisan bill consistent with these principles, as it is now apparent that we will be forced to oppose the legislation being considered by the House. The business community vitally needs better policy alternatives to be proposed by Congress.

Thank you for your attention to this important matter. We look forward to continuing to work with you.

Sincerely,

R. Bruce Josten

Cc: The Members of the Committee on Finance