



September 18, 2009

Hon. Charles Schumer
U.S. Senator from New York
757 Third Avenue, Suite 17-02
New York, NY 10017

Dear Senator Schumer:

On behalf of the 55 organizations that comprise the New York Alliance for Women's Health, I would like to thank you for making your staff available for conversations with us about the progress of health reform in Congress. We are strong supporters of achieving health reform this year, because so many women and our families are either uninsured or under-insured. Our nation cannot delay in enacting health reform that will provide quality, affordable health care for all.

Today, I write to express our deep concerns about how the proposed Baucus plan would affect women's ability to obtain quality, affordable health care, including reproductive health care. I ask you, as an influential member of the Senate Finance Committee, to lead the way in re-shaping the Baucus plan so that the final measure emerging from the committee better meets the needs of New York women and our family. Here are our concerns:

- 1. Conservatives are pressing for the complete exclusion of abortion services from health reform, and so far those extreme restrictions have been defeated. In the House Energy & Commerce Committee, it was only possible to defeat those efforts by including language explicitly maintaining existing restrictions on federal funding for abortion. The Senate HELP bill and the other two House bills do not include such language. We believe health reform legislation should leave the decision about whether abortion should be covered in benefit packages to medical and scientific experts who will base their decisions on medical standards of care. Therefore, we oppose inclusion of such compromise language in the Baucus bill.**

The House Energy and Commerce Committee compromise language (the Capps amendment) prohibits the use of federal funding for abortions, except in the cases of rape, incest or threat to the woman's life. If this prohibition were in place, the only funds that could be used to pay for abortion care would be private money from the policyholders' premiums, whether the policyholder is covered by a private plan or the public option. The Capps amendment also ensures that every person getting coverage through the exchange would be able to choose between a plan that includes abortion and one that doesn't, which guarantees that those who don't want to participate in a plan that covers abortion will have that choice – something they are not guaranteed in today's private market, where nearly 90 percent of private plans cover abortion.

The pro-choice members of the House Energy & Commerce Committee agreed to this compromise to prevent anti-choice Committee members from using health reform legislation as a vehicle to impose sweeping new restrictions on abortion services. While we do not support the compromise language, we do understand that it was necessary to for the committee to complete work on the bill. We hope the Senate Finance Committee will not find it necessary to agree to such a compromise.

2. The Baucus plan would fail to make health insurance affordable for low- and moderate-income women and our families. People in states with higher costs of living, such as New York, would find it very difficult to afford expected contributions to premiums and out-of-pocket costs, while still paying for rent, food, transportation, taxes and other unavoidable costs.

The Baucus plan would mandate that everybody buy health insurance, and impose sizeable penalties on those who don't, but it wouldn't make it possible for people to actually afford the insurance. According to the Center on Budget and Policy Priorities, a family of three earning about \$55,000 — three times the federal poverty level — would be expected to pay as much as 13 percent of its income for health insurance premiums. That's roughly \$7,100 a year. (By comparison, that same family would be expected to pay up to \$5,500 under the House bill, and \$4,300 in the Senate health committee bill.) In addition, this family would be expected to shoulder up to \$11,600 in out-of-pocket costs for co-pays and deductibles. That's a total obligation of as much as \$18,700 a year for health care, from a salary of \$55,000.

A three-person family earning about \$27,500 would have to pay 5.5 percent of its income, a premium of about \$1,570. (That compares with \$824 a year in the House legislation, and \$275 under the Senate health committee proposal.)

The Baucus plan would not make health coverage affordable for New York women and our families. The subsidies must be greater, and the expected out-of-pocket costs lower.

3. The Baucus plan allows and even encourages insurance companies and employers to continue practices that are particularly damaging to women.

The Baucus plan would allow insurance companies to charge older people up to five times as much as younger people, a practice known as “age rating.” (By comparison, the House bill allowed only a 2 to 1 ratio in age rating.) Women in the 50 to 64 year-old age range are particularly likely to be hurt by this provision. One quarter of women in this country have dependent health insurance through their husbands' policies, and are vulnerable to losing it through divorce, widowhood or having their older husbands become eligible for Medicare. If these women then are forced to go into the private insurance market to try to purchase their own insurance until they reach the 65-year-old eligibility age for Medicare, they will face exorbitant prices because of age rating.

Moreover, the Baucus plan would create a disincentive for employers to hire low-income workers and especially low-income, single parents – the vast majority of whom are women. The reason is linked to the system that the Baucus plan uses to deal with employers who do not provide their workers with health insurance coverage. The more common approach to this problem is to require such employers to contribute a standard payment per employee to a common public fund that would help subsidize the cost of health insurance premiums for uninsured individuals. The Baucus plan, however, bases

the size of this employer contribution on the amount of a public subsidy for which each employee qualifies. So, employers would be less likely to hire low-income employees, because they would qualify for larger public subsidies and thus obligate the employer for a larger contribution. Employers would likely also favor hiring married women who are insured through their husband's insurance plans, rather than single women, because the single women will bring with them greater costs of contributions to the subsidy fund.

The Baucus plan must be amended to reduce the permissible age-rating ratio to 2 to 1 or less. The system of expected employer contributions to the cost of uninsured workers health coverage should be a standard payment that is unrelated to the size of a public subsidy any particular worker would be receive.

4. The bill fails to ensure that all residents of our country have access to coverage that is essential to protect both individual and community health.

Health reform should give legal immigrants access to affordable coverage in the same way that it does for as American citizens. Legal immigrants should have access to tax credits through the exchange, should be eligible for Medicaid without the current federal five-year waiting period and should not be subject to excessive verification requirements. In addition, we oppose efforts to bar people, regardless of immigration status, from using their own funds to buy health insurance through the exchange. It is in the best interests of everyone in our country to ensure that all residents have access to health care, especially when we face such common threats as the spread of the H1N1 virus.

The Baucus plan should be amended to eliminate any waiting period for legal immigrants to qualify for Medicaid or subsidies/tax credits. Further, there should be no prohibition on undocumented immigrants using their own money to purchase health insurance through the planned insurance exchange.

5. The bill does not establish a health insurance system that will provide a full range of choices to consumers, lower costs and make insurance companies accountable.

The Baucus bill does not include a public insurance option, but instead provides a government-subsidized monopoly for private insurers. A robust public health insurance option would effectively compete with private insurers, giving people meaningful choice in their insurance purchasing decisions, controlling costs and bringing accountability to the insurance industry. The Baucus plan should be amended to include a public option.

I and my colleagues are available to consult with you and your staff, especially during the Senate Finance Committee deliberations next week. We deeply appreciate your strong support for women's health and your leadership in reforming our health care system.

Sincerely,



Lois Uttley, MPP

Co-founder, Raising Women's Voices for the Health Care We Need