



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

Statement

Blue Cross and Blue Shield
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**Government-Run Health Plan In House Draft Bill Would Cause Tens Of
Millions To Lose Employer Coverage They Currently Enjoy**

*New bureaucracy is unnecessary; would have devastating consequences;
and is counter to reform goals*

WASHINGTON – Scott P. Serota, president and chief executive officer of the Blue Cross and Blue Shield Association (BCBSA), released the following statement regarding the discussion draft for healthcare reform unveiled today by the chairmen of the House Ways and Means, Energy and Commerce, and Education and Labor Committees.

“It is important that comprehensive healthcare reform legislation that reins in costs, improves quality, and assures that everyone is covered be enacted this year. On behalf of our more than 100 million members, we are acutely aware of the unsustainable nature of the current system, and we applaud the Congress and the Obama administration for making healthcare reform their top domestic priority.

“That is why we are disappointed that the discussion draft unveiled today would undermine the very policy objectives we collectively hope to achieve.

“While the discussion draft addresses many of the critical steps needed to transform our healthcare system, these important reforms are overshadowed by the proposed creation of a government-run health plan that would jeopardize the coverage of the 160 million people who receive their benefits through their employers today.

(more)

“An independent analysis by the Lewin Group estimates that tens of millions of people would shift to a government plan, dismantling the private market that is free to innovate without the political pressures that often stifle efforts to innovate in government programs like Medicare.

“The disruption would not stop there. In addition, a government-run plan would underpay providers, creating major access issues.

“A government-run plan that pays based on Medicare rates – for any period of time – is a recipe for disaster. Already in some parts of the country nearly 30 percent of Medicare enrollees report that they cannot find doctors willing to accept new patients, due to below market rates. Rural hospitals, in particular, are struggling to keep their doors open. These low payment rates would threaten the quality of healthcare and undermine the improvements that we believe reform can bring to communities across the country.

“A government-run program also would undermine delivery system reforms and stifle innovative private sector programs that are improving the quality of care and impacting costs. Our Blue Distinction designation program, for example, has helped participating facilities significantly lower readmission rates for heart attack patients by 26 percent, compared to other facilities.

“We believe that instead of creating a new bureaucracy, government should focus on three key roles:

- Expanding Medicaid to cover all people in poverty and enrolling all eligibles.
- Reforming Medicare to pay for quality and assuring Medicare’s long-term solvency.
- Establishing new rules for insurers to assure access for everyone regardless of health.

“We look forward to a vigorous debate on how to best build on what is working today, to make healthcare work for more people tomorrow.”

The Blue Cross and Blue Shield Association is a national federation of 39 independent, community-based and locally operated Blue Cross and Blue Shield companies that collectively provide healthcare coverage for more than 100 million members – one-in-three Americans. For more information on the Blue Cross and Blue Shield Association and its member companies, please visit www.BCBS.com.

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