

If Not Now



After decades of effort, Americans have a chance to join the rest of the industrialized world who already have health care systems that cover their citizens.



AP/World Wide Photo

As premiums skyrocket and more employers drop health care coverage, public pressure for reform has grown too large to ignore.

can offer coverage only at exorbitant rates — or offer coverage so thin that it's no coverage at all. Americans are left to worry about whether they'll get laid off and lose their insurance or wake up from surgery with a \$10,000 bill because they didn't read the fine print on their policy."

Stalwart Friend

Sebelius, a stalwart friend of the Machinists Union and an unyielding advocate for fair and adequate health care, knows the plight of working families and their struggles to obtain and keep quality coverage. As Governor of Kansas — home to the heart of the U.S. aerospace industry and thousands of Machinists members struggling to keep the industry afloat — she took a lead role in reeling in the skyrocketing cost of health insurance for workers. She created a Cost Containment Commission that brought together business leaders, health care providers, private insurers

and patient advocates. She consolidated the state's health care purchasing into a single division, allowing Kansas to bargain effectively for high-quality health care at competitive prices. And, she also succeeded in extending health care coverage to more than 59,000 children from low-income families.

Prior to her tenure as governor, Secretary Sebelius served eight years as Kansas State

Insurance Commissioner, where she is most notably known for blocking the sale of Kansas Blue Cross/Blue Shield by an out-of-state, for-profit conglomerate.

As commissioner, Sebelius helped senior citizens save more than \$7 million on prescription drugs. And, she helped draft a proposed national bill of rights for patients.

Now as leader of one of the largest departments in the federal government and the administrator of many key working-class issues — Social Security, prescription drugs, disease control and welfare — Sebelius will be responsible for driving the reforms outlined in President Obama's health care plan. "A huge, once-in-a-lifetime opportunity to improve the lives of all Americans, insured and uninsured alike," is how she describes the task before her, the president, Congress and the entire country. "I share the pres-



After GOP House Minority Leader John Boehner claimed he hadn't heard from one American in support of a public option for health care, constituents outside his district office in West Chester, OH, set the record straight that there was strong support for health care reform, including a public option.

ident's conviction that 'health care reform cannot wait, it must not wait, and it will not wait another year.' Inaction is not an option. The status quo is unacceptable, and unsustainable."

IAM International President Tom Buffenbarger agrees, saying the time to reform our nation's health care system has never been more necessary.

"Americans are hurting like they've never hurt before," explains Buffenbarger. "Unemployment numbers are beyond comprehension with more than 30 million people currently without work. An additional 46 million didn't have health coverage to begin with. So, I ask you... if not now, then when?"

The High Price of Doing Nothing

"If we fail to act, the crisis will grow," says President Barack Obama. "More families will go without coverage. More businesses will be forced to drop or water down their plans."

Others — like the right-wing media, GOP politicians and the insurance lobbyists who line their pockets — want the American people to believe the system works just fine as it is. This, as they enjoy their own plush plans, kick up their feet,

and tally their income.

They've resorted to their same evil, skin-crawling tactics sure to strike fear in the American public. They've hijacked community centers, high school gymnasiums and stadiums across the country — with lies of "Death panels!... Socialized medicine!... and Rationed care!" — and turned them into everything short of knock-down-drag-out fighting rings.

"The history is clear. Every time we come close to passing health insurance reform, the special interests fight back with everything they've got," warns President Obama. "They use their influence. They use their political allies to scare and mislead the American people. They start running ads. This is what they always do.

"We can't let them do it again. Not this time. Not now. Because for all the scare tactics out there, what is truly scary — what is truly risky — is if we do nothing." And, the price of doing nothing is far too high.

Each and every day in this country, Americans are grappling with health care premiums that are growing three times the rate of wages. Recent estimates by the charity organization, The Commonwealth Fund, indicate that by 2020, the average employer-sponsored premium for family coverage could rise from \$12,298 in 2008 to \$23,842. That's a 94 percent increase — almost double — siphoned right out of middle-class workers' paychecks.

Not to mention the hidden cost-shift. A recent report from the Center for American



Americans held spirited debates about health care reform at town hall meetings such as House Majority Leader Steny Hoyer's near Waldorf, MD.



Progress Action Fund found that American families with health insurance are dishing out an additional \$1,100 a year to help cover those without.

Others project that by 2040, health care costs could eat up 34 percent of our gross domestic product (GDP). The entire federal budget alone only makes up 20 percent of the GDP.

Much worse, the Center for American Progress estimates some 14,000 people are losing health care every day. That's 5.1 million people a year. At any given moment, that could be any one of us.

Consumer Protections

President Obama's proposed health care plan aims to not let that happen. He's prepared to

throw insurance companies into the back seat through the passage of eight guaranteed consumer protections. Those protections include no more discrimination on pre-existing conditions; no more exorbitant out-of-pocket expenses, deductibles or co-pays; no more dropping of coverage for those who become seriously ill; no more cost-sharing for preventative care; and guaranteed insurance renewal.

In addition, President Obama's plan requires all employers either provide coverage or contribute toward the cost of coverage.

Americans will be required to purchase insurance through their employer or through what will be called an "insurance exchange" — a one-stop shop

President Obama's health care reform plan will prevent cuts in Medicare spending and improve the overall stability of the system by bringing down costs.

of affordable high-quality health insurance options, available to those whose employer does not offer insurance, as well as to you and your family should you lose your job, move, decide to leave your company, retire, or your company goes bankrupt.

The president is also proposing a public option be included in the list of "exchange" choices in order to increase competition and keep insurance companies in line. Those who cannot afford the "exchange" plans can apply for a government subsidy. And, Medicaid will be expanded to include those who fall below a higher poverty threshold.

The president's plan provides for Medicare improvements, as well. First and foremost, the money saved from overall reform will provide Medicare the financial stability it needs to continue caring for our parents and loved ones for years to come. The proposal



will prevent a 20 percent cut in Medicare doctor payment rates, ensuring doctors can continue to serve seniors. The plan also calls for more affordable generic drugs and a discount of at least 50 percent to help close the “donut hole,” or gap in prescription drug coverage in Medicare Part D.

What's In It For You?

What this all means for working families and retirees is peace of mind.

President Obama assures that “if you like your doctor, you can keep your doctor. If you like your private health insurance plan, you can keep your plan. Period.”

With the new “exchange” and protections against dropping coverage or denying coverage because of pre-existing conditions, working families will no longer have to worry about not having coverage for themselves or their family members. Coverage will be available — no matter what. And, yearly caps on out-of-pocket expenditures means less money out of your paycheck.

Free preventive services for everyone will ensure illness and disease are prevented and treated sooner, rather than later. The plan also provides payment incentives for hospitals and physicians based on the quality of health care provided, not the quantity.

As for union members, bringing down the costs of health care also means relief at

Health Care Reform Consumer Protection Highlights



- **No More Discrimination for Pre-existing Conditions**
Under the president's plan, insurance companies will be prohibited from refusing you coverage because of your medical history.
- **No More Exorbitant Out-of-Pocket Expenses**
Insurance companies will have to abide by yearly caps on how much they can charge for out-of-pocket expenses.
- **No More Cost Sharing for Preventive Care**
Insurance companies must fully cover, without charge, regular checkups and tests that help you prevent illness, such as mammograms or eye and foot exams for diabetics.
- **No More Dropping Coverage for Seriously Ill**
Insurance companies will be prohibited from dropping or watering down insurance coverage for those who become seriously ill.
- **No More Gender Discrimination**
Insurance companies will be prohibited from charging you more because of your gender.
- **No More Annual or Lifetime Caps on Coverage**
Insurance companies will be prevented from placing annual or lifetime caps on the coverage you receive.
- **Extended Coverage for Young Adults**
Children would be able to continue family coverage through the age of 26.
- **Guaranteed Insurance Renewal**
Insurance companies will be required to renew any policy as long as the policyholder pays their premium in full. They won't be allowed to refuse renewal because someone became sick.

the bargaining table. The employer responsibility policy will require non-union companies to pay their fair share, instead of dumping health care costs on the rest of us. And, keeping health care costs down means more production and more exports. Translation: higher wages and more jobs.

Not Up for Negotiation: No Taxed Benefits and Keep Public Option

The president's plan takes shape in the form of several bills currently making their way through Congress. For the most part, the bills are

comparable. Where they differ is in how they plan to address the No. 1 issue: cost — both front-end and back-end. In other words, how will the country pay for the plan itself and how will the plan save money in the long run?

“For the Machinists Union, this is where we draw the line in the sand,” says Buffenbarger. “We understand that with change comes a price tag. But working families have paid enough. No two provisions will devastate them more than the *inclusion* of a tax on health care benefits and the *exclusion* of a public option.”



President Barack Obama laid out his goals for health care reform in an address to a joint session of Congress.

"Given that 80 percent of the private sector workforce has seen no raise at all since December of last year, it seems hard to make the case that the nation's richest households cannot give up a few monthly raises of their own if it can make a serious dent in paying for fundamental health reform."

Keep Public Option

Also under serious debate is the public option, a government-sponsored health insurer, as described earlier in the "exchange." The idea being that the government-owned company would set the standard regarding costs and quality of coverage, forcing private insurers to compete by either matching the government's structure and offerings, or coming up with an even better one on their own.

Inclusion of a public option ensures choice, affordability and accountability for working families. The provision would also counter the 1945 McCarran Act, which enables insurance companies to collect billions in unjustifiable and unconscionable premiums because insurance rates are regulated by individual states.

Support for the public option has been strong among working families and Democratic leaders; however, in the face of GOP opposition, there's indication some of our nation's leaders may be wavering.

"A quality public health

No Tax on Benefits

To generate money, the Senate is considering levying a tax on employer-provided health benefits via either an excise tax on insurers, or a tax on workers' wages. Health benefits are currently not classified as wages, and are therefore tax-exempt.

Piling more taxes on working families is not the answer, asserts Buffenbarger. "Enacting a tax on health benefits will further eat away at the middle class. And, an excise tax on insurers would inevitably be passed on to consumers.

"If part of the goal is to provide relief to Americans, then how can we turn around and ask them to pay higher taxes?"

The House has a different approach. Members have proposed a one to 5.4 percent surcharge on incomes over

\$350,000 year — a more sensible provision says researchers at the Economic Policy Institute (EPI). They've found that given the growth rate of such households, any income losses incurred from a surcharge would be made up in a matter of months.

"Our collective failure to meet this challenge – year after year, decade after decade – has led us to the breaking point."

President Barack Obama

"What is essentially being asked is for the top one percent of incomes and above to delay a pay raise for somewhere between one to nine months," says EPI Economist Josh Bivens.

insurance option forces insurance companies to show their hand at all times," says Buffenbarger. "They've already shown that without any kind of accountability, their bottom lines come first — not the health and welfare of the person sent home from the hospital to die because their insurance company declined a surgery that could've possibly saved their life."

Imagine health care reform without a public option: The government would essentially be handing private insurance companies 46 million new customers — because everyone will be required to have coverage — and allow them to rack up even more money. There would be no accountability and no reason to bring down costs.

"That's an insurance company's dream," says Buffenbarger. "It's no wonder special interests are so vehemently against this portion of the bill. If we're serious about bringing down costs and holding insurance companies' feet to the fire, then the public option is the only option we have. Failure to include this provision in the final piece of legislation is not only a nail in the coffin of any kind of effective reform, but working families altogether."

There are but two sides in this battle: insurance companies and the American people.

Keep the Public Option

- Provides millions of currently uninsured people with access to comprehensive coverage at an affordable rate.
- Gives power to consumers who can walk away from insurance companies that refuse medical payments, deny coverage or excessively increase their premiums.
- Would set the standard regarding costs and quality coverage.
- Introduces competition into the U.S. insurance industry in order to bring down costs.
- Provides a sense of accountability that currently does not exist in the U.S. insurance industry.
- Prevents insurance companies from collecting billions in unjustifiable premiums.

No Tax on Health Benefits

- A direct tax on workers' wages would further erode middle class incomes.
- An excise tax on insurers would inevitably be passed on to consumers.
- Any tax would undermine employer-sponsored coverage by removing a key incentive that employers have for providing coverage.

The men and women who serve in Washington, D.C. — yes, the ones we elected to serve and represent us and our families — have to choose whose side they're really on. And, as Secretary Sebelius so eloquently put it, they have a "once-in-a-lifetime" chance to get it right.

Let's Get It Done

"Our collective failure to meet this challenge — year after year, decade after decade — has led us to the breaking point," President Obama told law-

makers in a rare joint-session in September. "I understand how difficult this health care debate has been... I understand that the politically-safe move would be to kick the can further down the road — to defer reform one more year, or one more election, or one more term. But that is not what the moment calls for. That's not what we came here to do. We did not come to fear the future. We came here to shape it."

"The message is there. It's clear," proclaims Buffenbarger. "Let's get it done."