

Dear colleagues,

Comprehensive health reform must accomplish three main objectives: cost containment, improved access to health insurance coverage and improved quality of care. Over the next three weeks the Doctors for America newsletter will examine each of these pillars and how they are addressed in the current health reform legislation.

Much has been written about the \$848 billion dollar price tag that accompanies health care reform, so this week the Doctors for America newsletter will focus on the facts surrounding cost containment. The non-partisan Congressional Budget Office estimated the Senate reform bill will reduce the deficit will also controlling the rising costs of premiums. Broader questions about how to control skyrocketing costs of care continue to remain front and center as the Senate opened debate this week on it's version of reform legislation.

Two cost containment solutions proposed in the Senate bill include establishing an Independent Medicare Advisory Board, and taxing high cost employer-based insurance coverage.

Physicians Making A Difference:

Highlights from the last week

- On November 25th, Doctors for America membership passed the 16,000 mark.
- Dr. Zahid Imran (LA) attended a local pro reform rally and had a health reform "party" at his house where he collected 25 sigs for the Public Option petition.
- Dr. Hershey Garner (AR) was a part of a health care forum with premed students and former Senator David Pryor at the University of Arkansas in Fayetteville.
- Doctors for America's board met in Boston November 22nd and November 23rd, and completed a training on how to better organize communities across our nation.
- Dr Andrew Loehrer (IN), state director of Indiana, participated in a [rally](#) the Saturday of the crucial Senate procedural vote.
- Doctors for America launched its [public option petition](#).
- Dr. Sultan Rahaman (FL) reported on his meeting with Senator Nelson (D-FL) to the Seminole County Medical Society.
- Dr. Julian Harris and Dr. Ricky Grisson (MA) planned and held a patient-doctor townhall in Boston on December 3rd.
- New York City DFA members gathered to discuss policy over drinks on December 3rd.
- Doctors for America, CIR, NPA and AMSA flyered commuters in Washington, DC and delivered posters that illustrated half a million doctors want reform this year to the Senate.
- Dr. Don Nguyen (OH) had a phone meeting to thank Representative Joseph Cao (LA), the lone Republican vote for the House version of health reform.

Key Policy Developments

1. CBO

The Congressional Budget Office released a new report on Monday that the Senate health reform bill would significantly reduce costs for many people who buy health insurance on their own (on the "individual" insurance market). CBO also estimates that premiums for the majority of Americans who receive coverage from their employer would not substantially change. The CBO analysis compares premium rates under current laws and how they would change if the legislation would be fully implemented.

For those who buy insurance on their own, approximately 18 million Americans will qualify for affordability credits (those making less than \$73K for a family of three) and will see their premiums fall 59 percent.

For those who get their insurance through their larger employer - which account for nearly 70% of Americans- they would see their premiums hold steady or drop by up to 3 percent. Small employers, representing 13 percent of the market, would see premiums fall by up to 2 percent. About 12 percent of very small employers - those with generally lower wages - would qualify for tax credits, causing their premiums to fall by 8 percent to 11 percent.

At the same time, the legislation would fine people who don't enroll, with some exemptions. The Senate penalty would phase in, from \$95 per person the first year - 2014 - to \$750 per person by 2016.

Read the full CBO report here: [CBO](#)

Or more from the NY Times: [NY Times](#) (12/01)

2. Independent Medicare Advisory Board

To address the issue of escalating Medicare costs and the looming insolvency of the Medicare hospital insurance fund in 2017, the Senate health reform bill establishes an Independent Medicare Advisory Board (IMAB). The 15-member Medicare Advisory Board would be required to recommend changes to the Medicare program "to reduce excess cost growth and improve quality of care for Medicare beneficiaries" if



Weekly Update

December 3, 2009

Top 3 Stories

- NEJM - [Controlling Health Care Spending](#)
- NY Times - [Wrong Health Care Battle](#)
- NEJM - [Getting the Facts Straight on Health Reform](#)

What you can do this week

Sign Up to Speak in Faith-Based Communities

As physicians and physicians in training, our voice has the power not only to shape our profession, but to speak out for the core values of medicine in our communities.

Many congregations are interested in understanding our health system's problems better, but need someone with first hand experience to talk to them. Are you willing to take your experience into the community?

All you need is your own experience and a willingness to share with others. We'll provide you with orientation material and an orientation call to get you ready. Sign up on our site to get started.

[Sign up to speak in faith-based communities](#)

Medicare cost were projected to be high. In an attempt to shield the proposals from the political process, the board's proposals would be automatically implemented by HHS unless Congress blocks them and produces legislation with the same savings.

Current bill language prohibits IMAB from making recommendations that would ration care, raise taxes, raise premiums, increase cost sharing, restrict benefits, or modify eligibility criteria. Additionally, IMAB cannot regulate physician or hospital payment until 2020. CBO estimates IMAB will save Medicare \$23 billion from 2015-2019. The board would be made up of physicians and non-physicians appointed by the President and confirmed by the Senate to serve six-year year terms.

Read more about IMAB and other cost cutting measures: [NY Times](#) (11/25)

3. Excise Tax

Taxing employer-based insurance coverage receives mixed reviews from economists, unions and health care proponents. Under the current exemption, employers buy health insurance benefits with pre-tax dollars for their employees, who then accept lower wages in exchange for coverage. The Senate health reform bill proposes a new 40-percent excise tax on any high-cost insurance policies, or "Cadillac" plans. Any portion of health insurance benefits currently valued above \$8,000 for individuals and \$21,000 for families would be subject to the tax, which would be paid by insurance companies.

Over time, some economists argue this would create an incentive for employers and insurers to keep health benefits below the tax threshold - transferring the savings to employees in the form of taxable cash wages to subsidize the costs of health reform. Others argue that taxing benefits will not drive down costs and will create a new burden on more workers when the inevitably rising cost of coverage creeps closer and closer to the "luxury" level the tax is intended for - ultimately shifting the burden to workers who have worked alongside their unions to negotiate good benefits through their contract negotiations.

The House health reform bill does not include this provision excise tax.

To read more about the excise tax proposal, go to: [Washington Post](#) (10/20)

Thank you to all of you who emailed us to let us know what you've been up to. Your e-mails provide the content for the "Physicians Making a Difference" section.

Thank you, also, for your feedback. Let us know how we can [improve](#) this newsletter. Remember, you can share this newsletter via [facebook](#), [twitter](#), or [linkedin](#). You can also download this newsletter as a [PDF](#) or listen to it via [iTunes](#).

Sincerely,

Ali Khan and the Doctors for America Team

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Doctors for America is a grassroots group of over 16,000 physicians and medical students in all 50 states. Together we are committed to building a health system that works better for us and better for our patients.