



AvMed supports health care reform

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AvMed, one of Florida's oldest and largest not-for-profit health plans, supports substantial reform that would combine guarantee-issue coverage with an enforceable individual health insurance requirement and premium assistance to make coverage affordable, while eliminating pre-existing condition exclusions and ratings based on health status in the individual market.

We are encouraged by the exemplary leadership of Chairman Max Baucus, ranking minority member Charles Grassley and the other senators who are fashioning a truly bipartisan health care reform measure in the Senate Finance Committee. It builds upon the existing employer-based system, which currently covers 177 million Americans, according to the U.S. Census Bureau.

The Senate Finance Committee bill does not establish a government-run plan. Instead, it reflects, as a first priority, commitment to a policy that "first does no harm." We share the concerns about the significant, unintended consequences of a new government-run health insurance plan.

Such a plan using Medicare reimbursement rates would erode the employer-based system, significantly increase costs for those who remain in private coverage and add additional deficits to the already-challenged federal budget. It takes a one-size-fits-all approach to benefit designs, which could drastically reduce vital health choices.

According to a recent Milliman study, an average family of four pays a hidden tax of more than \$1,700 annually on their premiums because Medicare and Medicaid significantly underpay hospitals and physicians. To offset these inadequate payments, providers pass on higher costs to those in the private sector.

AvMed and other private health plans would outperform a government plan if the competition were based solely on value, and not on the ability to impose government-administered reimbursement rates. Of course, that would not be the case, and our country's health care delivery system and 200 million Americans would be adversely affected.

Instead, AvMed supports strong market rules and consumer protections that will ensure that nobody falls through the cracks and that the coverage of tens of millions of Americans is not disrupted. Congress should abandon the idea of a government-run plan, achieve comprehensive reform and get about the business of providing all Americans with access to quality, affordable health care coverage.

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