March 24, 2010

WASHINGTON, DC—Rep. DeFazio (D-Springfield) today voted to bring relief to millions of Americans one catastrophic illness or accident away from personal bankruptcy. The health care reform bill, which passed the House of Representatives tonight, will improve the health care coverage of all Oregonians. For those who have health insurance they like, they can keep it. Those who don't have health insurance will have better, more affordable options to get it. And, for the nearly 600,000 Medicare beneficiaries in Oregon, they will have better benefits and improved access to health care services. The bill outlaws the worst abuses of the insurance and pharmaceutical industries: no more discrimination by insurance companies for preexisting conditions, cancellation of a policy if the person becomes sick, small print, life time caps on health care coverage or health care coverage exclusions for specific health problems. It reduces the deficit, provides stability and security for Americans who currently have health insurance, and affordable, quality options for those who don't.

"Our health care system is broken. It is failing too many people. It is morally wrong that in the United States of America, too many of our families and friends are so vulnerable to the whims of the insurance and pharmaceutical industries, which are more interested in protecting their obscene profits than the health care of hard working Americans and seniors," DeFazio said.

"This bill is a huge relief for the woman who recently contacted me to tell me that her medical bills cost more each month than her mortgage and she is not sure how much longer she will be able to afford her home.

This bill will help the woman I met who had an individual insurance policy, on which she had faithfully paid her premiums, and was refused a renewal when she was diagnosed with cancer. She was told 'sorry, we don't renew policies of people with cancer. Thank you very much for your premiums.' For her, this legislation will finally put an end to that type of abusive practice.

This bill will help the gentleman I met at the unemployment office who had rights to purchase health care under COBRA but the cost was three quarters of his unemployment benefits. His wife was deathly ill. This was a tough guy, and he cried right there in public in that unemployment office. That won't happen again because of this legislation. That gentleman will no longer be forced to choose between keeping his home, feeding his family and getting his

wife the health care she needs.

This bill will help people like the woman who attended one of my town hall meetings last summer who has cancer and cannot afford health care coverage for both herself and her disabled son. She was preparing to die and worried that her disabled son would no longer have a care giver or health care coverage when she is gone. This bill means she will get the care she needs, and so will her son. For them, and others in similar circumstances, this bill means life and peace of mind," DeFazio continued.

"The passage of this bill is a momentous event. This bill ends the worst abuses of the insurance industry and improves health care for all Oregonians. No more pre-existing condition exclusions or denials; no more cancellations or non-renewals of your policy because you, or an employee at the business where you work, becomes seriously ill; no more annual or lifetime caps and coverage exclusions hidden in the small print. These reforms will put an end to families being bankrupted when someone gets sick.

This bill also includes a provision that is particularly important for seniors in Oregon and 16 other states. It fixes a faulty outdated Medicare reimbursement formula which unfairly punishes 17 states. Oregon suffers from one of the lowest Medicare reimbursement rates in the country, despite being one of the highest quality, best outcomes providers of medical care to seniors in the country. This is wrong. The practical effect is that more and more seniors in my district and across Oregon are being told, 'sorry, we don't take Medicare, it doesn't come close to paying what it costs to provide care, and we simply can't afford it.' I've been working for more than a decade to correct this inequity. It does not cost three times as much to do an appendectomy in Miami as it does in Eugene. I worked with other members of the Oregon delegation and members from other low cost, as well as high cost states and reached an agreement which will give Oregon and 16 other states fair reimbursement rates.

Over the last year I have heard from tens of thousands of Oregonians on all sides of this debate. People are passionate about health care. It is a very personal issue. Though this bill is a huge step forward, it is not perfect. It does not have enough cost controls. But, if nothing is done, the greedy insurance and pharmaceutical companies will continue to do whatever they want to protect their obscene profits at the expense of people's lives, health care and well-being. This bill is an important first step towards shutting down the special interests and putting the well being of people first. However, more needs to be done. I would have liked for it to include my legislation to take away the insurance industry's unfair federal anti-trust exemption. This legislation was included in the House passed bill last fall and passed by the House of Representatives as stand-alone legislation by a vote of 406 to 19 earlier this year. I

am committed to working with my colleagues until the price gouging and colluding by the health insurance industry comes to an end," DeFazio concluded.

Lowers the deficit

Some of those opposed to the health reform bill have said it is just too expensive and will add a huge amount of money to the deficit. This is false. The bill will actually save money. According to the non-partisan Congressional Budget Office, the bill will actually reduce the deficit by $143 billion over the first ten years (2010-2019). It accomplishes this by targeting waste, fraud, and inefficiency in private Medicare Advantage plans and Medicaid. These savings are also accomplished through adding fees to the pharmaceutical industry, limiting tax deductions for executive CEO's, a Medicare payroll tax on individual income over $200,000, and a small tax on the unearned income of investors who earn over $250,000 a year.

Improve your health insurance

Under the bill, insurance companies would no longer be able to deny coverage to a person based on a "pre-existing condition" such as diabetes, high blood pressure or family history. Insurance companies would also no longer be able to cancel coverage because a person became ill. This will benefit the nearly 16,000 people in southwest Oregon who currently cannot get care because of pre-existing conditions.

Provides better access to YOUR doctor

The legislation is not a government takeover of health care. It will not get between anyone and their doctor. If you have insurance, you can keep your current plan. It will actually improve

employee based coverage for 408,000 people in the Fourth Congressional District of Oregon. Furthermore, if someone does not have health insurance in order to make insurance affordable, the legislation contains the largest middle-class tax cut for health care in history, providing middle class families with incomes up to $88,000 for a family of four with tax credits to help pay for coverage in the new Health Insurance Exchange. For a family of four making $50,000, the average tax credit will be approximately $5,800. There are 209,000 households in southwest Oregon that could qualify for these credits if they purchase health insurance through the exchange. This will make it possible for the nearly 80,000 people in Southwest Oregon who are currently without insurance to get coverage. This will reduce the cost of uncompensated care by $43 million for hospitals and health care providers in southwest Oregon lowering the cost of health care and improving insurance for everyone. The bill also gives a 10% incentive payment to primary care doctors that serve in rural areas as well as increased payments to all primary care doctors.

Financial security for families

There were 1,200 health care-related bankruptcies in southwest Oregon in 2008, caused primarily by the health care costs not covered by insurance. The bill caps annual out-of-pocket costs at $6,200 for individuals and $12,400 for families who purchase insurance through the exchange or who are insured by small businesses. It also eliminates annual and lifetime limits on all insurance coverage. These reforms ensure that no family will have to face financial ruin because of high health care costs.

New lower-cost health care options for young adults

The legislation will allow young adults to remain on their parents' policies until they turn 26. There are 62,000 young adults in the southwest Oregon who will benefit from this option. For individuals under age 30, the bill creates new, inexpensive policies that allow them to obtain protection from catastrophic health care costs.

Improves Medicare for Oregonians

In Oregon doctors are increasingly refusing to take Medicare patients because the reimbursement rate is so low they lose money on every patient. This is because Oregon, and 16 other states, are locked into low rates using a formula that favors high cost East Coast states. As the baby boomers age, the seniors population grows and this problem continues to get worse. Language to fix this problem was included in the House passed bill but was not included in either the Senate bill or the reconciliation package. DeFazio stated that unless this problem was addressed he would not vote for the bill. DeFazio and members from the 16 other states who are also harmed by the current reimbursement formula, worked, with leadership and the Obama Administration to negotiate a change to fix this inequity in the final bill. Because of the work of Congressman DeFazio the health reform bill will actually improve Medicare for 137,000 beneficiaries in Southwest Oregon; they will have better access to doctors and, that care will be more affordable. The bill also eliminates all co-pays for preventative services such as screenings for diabetes, cancer and osteoporosis. It also gives educational incentives to go into primary care or to practice in rural areas to address doctor shortages in those areas. Finally, the bill also strengthens the Medicare Trust Fund, extending its solvency from 2017 to 2026.

Protects Medicare for the Future

Opponents have told seniors that reform will lead to a “cut” in Medicare benefits. The bill has been endorsed by the American Association of Retired Persons (AARP) because it will make Medicare stronger and more fiscally sound for the future by eliminating billions of dollars of waste and abuse. For instance, Medicare pays up to 20% more nationally to treat beneficiaries under these for profit Medicare Advantage plans than it does under regular Medicare. Oregon administers Medicare Advantage more efficiently than most states. The bill actually provides increased incentive payments to plans that are considered “high quality” like the ones we have in Oregon.

Helps small businesses

Insurance costs for small businesses have increased 129% since 2000. Small business employees pay an average of 18% more in premiums than those in large firms for the same benefits. Their deductibles are more than double. The legislation will help 20,000 small businesses in the Fourth Congressional District – allowing them access to affordable, large-group rates, insurance plans with better benefits, and eliminating discriminatory pricing.

Lowers the cost of prescription drugs for seniors

AARP found that from 2002 to 2007 the average yearly cost of prescription medications for individuals on Medicare nearly doubled. Reigning in the exploding cost of prescription drugs is essential to affordable health coverage.

This bill closes the dreaded Medicare Part D “donut hole” that was passed by President Bush and the Republican controlled Congress closing the “donut hole” will benefit over 14,000 seniors in southwest Oregon. Under the “donut hole” any prescription medication costs accrued between $2,700 and $6,154 yearly are not covered by Medicare. It also provides a 50% reduction on brand name drug prices for seniors while the donut hole is being phased out.

The bill will significantly lower the costs of drugs by creating an FDA approval process for cheaper generic versions of expensive high-tech drugs. Many of these drugs are used to treat serious conditions that afflict millions of seniors like rheumatoid arthritis and cancer.

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