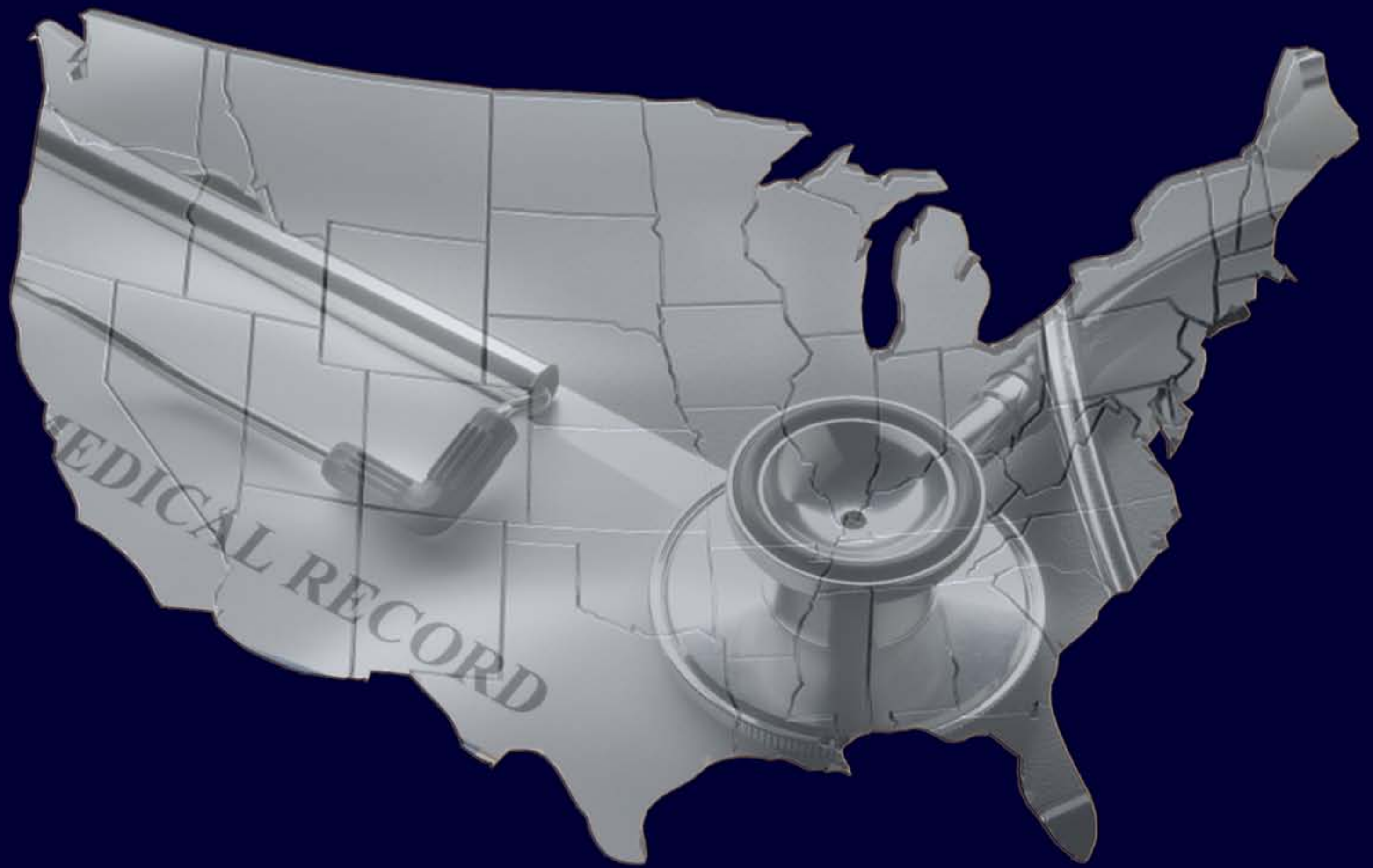
CAPITAL MALPRACTICE



How a Washington Takeover of Health Care Will Hurt States

By Rep. John Boehner (R-OH) & Governor Tim Pawlenty (R-MN)
A GOP State Solutions Report | HTTP://STATES.GOPLEADER.GOV

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How a Washington Takeover of Health Care Will Hurt States

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A GOP State Solutions Report

July 27, 2009

Overview

Health care costs every family, every small business, and every state in America too much. Health care reform should help states, families, and small businesses tackle the problem of rising costs.

Health care needs vary from individual to individual, and from state to state. Health care reform should increase flexibility for states to develop solutions that fit their needs.

A Washington takeover of health care will achieve neither objective. To the contrary, it will harm states and working families by increasing health care costs and empowering federal bureaucrats to make important decisions that should be left to doctors and patients.

Washington Democrats are proposing a 1,017-page Washington takeover of health care. It will take power away from states, increase state costs by expanding Medicaid, and add a $1.6 trillion burden on the American middle class over the next 10 years. It will force states to comply with complex new federal regulations and directives, preventing them from developing health care programs that best fit the needs of their residents, and will potentially saddle governors and state legislatures with massive unfunded federal mandates.

This report explains these consequences for states in greater detail, and also notes some alternative routes that warrant bipartisan consideration as our nation's elected leaders look for better solutions that will achieve true reform of America's health care system.

TABLE OF CONTENTS

PART ONE: STATE JOB LOSSES 4
PART TWO: UNFUNDED MANDATES ON STATES 7
PART THREE: UNNECESSARY RED TAPE FOR STATES & CITIZENS 14
PART FOUR: BETTER SOLUTIONS 16

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PART ONE: STATE JOB LOSSES

As of this writing, the national unemployment rate stands at 9.5 percent, and 15 states have double-digit unemployment rates. But in Democratic-controlled Washington where the health care bill is being written, the unemployment rate is just 6.2 percent. A recent article in *Politico* by Victoria McGrane explored this dichotomy:

> *"At 6.2 percent, the unemployment rate in the D.C. metro region is lower than in any other major metropolitan area in the country — and far below the 9.5 percent national average. Members of Congress from harder-hit areas can't help but notice the divide between the relative health of their part-time city and the pain back home. And it particularly rankles conservatives who've argued for a smaller federal government but now see it making up one-third of the region's economy.*
>
> *"'What frustrates me so much is you look at Washington and you realize how out of touch we are. This is one of the only cities that's growing. And how is it growing? Because we're filling it with federal bureaucrats,' Rep. Christopher Lee (R-N.Y.) complained during a Republican press conference Thursday. 'And we can't afford to pay. We have a $1.8 trillion deficit.'"*

Anti-Washington sentiment related to the jobs issue has intensified in recent months as it has become evident that the massive "stimulus" spending bill enacted in February 2009 has not kept the national unemployment rate from going above eight percent, as was promised by Obama Administration officials as the legislation was being passed in Congress. Jobs-related anger toward Democratic-controlled Washington has also been fueled this summer by House passage of a controversial "cap-and-trade" bill widely regarded as threatening job creation in many states, and by comments by senior Administration officials such as White House Chief of Staff Rahm Emanuel, who was quoted in the July 22 edition of the *New York Times* as saying Washington Democrats have "rescued the economy."

The health care legislation currently moving through Congress is certain to further intensify the controversy. Brimming with new mandates on employers and funded in part by a new tax on small businesses, the engine of job creation in America, the $1.6 trillion legislation is certain to destroy jobs in virtually all 50

states and cause millions of Americans to lose their current health care coverage.

A June 2009 study by the Lewin Group, an independent research organization, projects that the government-run insurance plan proposed by House Democrats will force two out of every three Americans to lose their current health coverage. The Lewin Group analysis determined that an estimated 114 million Americans will likely be forced out of their current private health coverage, including more than 106 million Americans who currently have employer-provided health care, if the House Democratic legislation is signed into law by President Obama.

The $1.6 trillion House Democratic bill would also result in the elimination of as many as 5.5 million jobs over the next 10 years, using a methodology developed by the President's own senior economic team. Employing the methodology utilized by Dr. Christina Romer, the chair of the President's Council on Economic Advisors, and Jared Bernstein, Chief Economist and Economic Policy Adviser to Vice President Joseph Biden, the taxes on employers in the House Democratic health care bill would result in as many as 5.5 million Americans losing their jobs.

Rep. Dave Camp (R-MI), the ranking Republican member of the House Ways & Means Committee, commented recently on the job-endangering provisions in the House Democratic legislation:

> *"Health care reform has to happen. But simply spending one to two trillion dollars more on health care and raising massive amounts of new taxes to pay for it is not a pill we should swallow. There is a right way to reform health care and it doesn't require Americans to choose between their job and affordable health care."*

In a July 9, 2009 letter to the three House committees with primary jurisdiction over health care legislation, the National Retail Federation (NRF) – which, with more than 24 million employees, employs about one in five American workers – indicated that the House Democratic bill poses a serious threat to employer-sponsored insurance and job creation. Excerpts from NRF's June 9 announcement:

> *"The National Retail Federation today urged House committees working on health care reform to reject any form of employer mandate, calling such a provision a 'tax on jobs' that the nation cannot afford during the current recession.*

"NRF cannot support an employer mandate of any type, whether pay-or-play, set penalty, or 'free-rider' in nature," NRF Senior Vice President for Government Relations Steve Pfister said. . .

"'Employer mandates of any kind amount to a tax on jobs,' Pfister said. 'We can think of few more dangerous steps to take in the middle of our present recession. We need to add new jobs, not exacerbate the near double-digit unemployment numbers. We cannot afford to have new and existing jobs priced out of our collective reach because of mandated health coverage.'

"Pfister said a VAT would be 'devastating' in the current economy. Consumer spending represents more than two-thirds of gross domestic product but has plummeted dramatically over the past two years. Placing an additional tax on consumer spending would further depress spending, and lengthen and deepen the current recession, he said."

PART TWO: UNFUNDED MANDATES ON STATES

In a May 15, 2009 analysis, Dennis G. Smith of the nonpartisan Heritage Foundation observes that the health care legislation being proposed by Washington Democrats is likely to have an enormous impact on states, many of which are already struggling under serious budgetary pressure in the midst of the current recession. Smith writes:

> *"Much of the heavy lifting of [Democrats'] health care reform is likely to be left to the states. Congress and the Obama Administration are banking on using Medicaid to provide coverage to millions of uninsured Americans. . .a Medicaid eligibility expansion alone would nearly wipe out the temporary gains [for state budgets] from the stimulus bill."*

Smith goes on to note:

> *"[S]tate costs in just the first year of expansion could range from $23.8 billion to $93.7 billion depending on the upper eligibility level and whether states would be required to increase provider reimbursement to Medicare rates. . .[S]tates already have authority to expand Medicaid eligibility for parents of Medicaid-eligible children and the majority of states have chosen not to do so. A federal mandate to increase eligibility and payment rates would be a significant blow to federalism."*

The House Democratic bill, in fact, includes a massive expansion of Medicaid to all individuals with incomes below 133 percent of the Federal Poverty Level ($29,326 for a family of four). While initial drafts of the bill contemplate federal resources to help with the expansion, it is uncertain how long federal resources will remain, as well as concerns regarding equitable distribution among states. In addition, the federal assistance comes with strings attached: states would become locked into specific eligibility and program parameters dictated by Washington. These consequences are discussed in further detail in Part Three.

Even with federal resources to help cover the expansion of Medicaid eligibility, a phase-in of this assistance will still create enormous short-term hardships for states even under the best-case scenario. Over the long term, states could be saddled with increased entitlement spending. If the federal government forces an expansion of Medicaid onto the states, it could cripple states, many of which are already grappling with the worst fiscal crisis they've seen in years.

Bipartisan concerns about the congressional health care legislation at the state level were reflected in a recent *New York Times* news article by reporters

Kevin Sack and Robert Pear ("Governors Fear Medicaid Costs In Health Plan," 20 July 09). Sack and Pear reported:

> *"The nation's governors, Democrats as well as Republicans, voiced deep concern Sunday about the shape of the health care plan emerging from Congress, fearing that Washington was about to hand them expensive new Medicaid obligations without money to pay for them.*
>
> *"The role of the states in a restructured health care system dominated the summer meeting of the National Governors Association here this weekend — with bipartisan animosity voiced against the plan during a closed-door luncheon on Saturday and in a private meeting on Sunday with the health and human services secretary, Kathleen Sebelius.*
>
> *"'I think the governors would all agree that what we don't want from the federal government is unfunded mandates,' said Gov. Jim Douglas of Vermont, a Republican, the group's incoming chairman. 'We can't have the Congress impose requirements that we are forced to absorb beyond our capacity to do so.'"*

In the *New York Times* story, Sack and Pear went on to report:

> *"Although many governors said significant change in how the nation handles health care was needed, they said their deep-seated fiscal troubles made it a terrible time to shift costs to the states. With the recession draining states of tax revenues even as their Medicaid rolls are surging, the National Governors Association projects that states will face aggregate deficits of $200 billion over the next three years.*
>
> *"Each of several health care bills coursing through Congress relies on a large increase in eligibility for Medicaid, the state and federal insurance program for the poor, as one means of moving toward universal coverage.*
>
> *"Because the states and the federal government share the cost, any increase in eligibility levels, benefits or payments to doctors would impose new burdens on the states unless Washington absorbs them. In at least one of several bills circulating in Congress, the states would eventually pick up a share of the new costs, and the governors fear they cannot count on provisions in other bills that they will not bear costs. . .*
>
> *"The governors said in interviews and public sessions that the bills being drafted in Congress would not do enough to curb the growth in health*

spending. And they said they were convinced that a major expansion of Medicaid would leave them with heavy costs.

"They are already anticipating large gaps in Medicaid financing after 2010, when stimulus money will no longer be available. And they point out that Medicaid already suffers from low payment rates to healthcare providers, discouraging some doctors and hospitals from accepting beneficiaries. If Medicaid is expanded, states would almost surely have to increase payments to doctors to encourage more of them to participate.

"Governor Phil Bredesen, a Tennessee Democrat, said he feared Congress was about to bestow 'the mother of all unfunded mandates.'

"'Medicaid is a poor vehicle for expanding coverage,' said Bredesen, a former healthcare executive. 'It's a 45-year-old system originally designed for poor women and their children. It's not healthcare reform to dump more money into Medicaid.'

"He was far from alone. 'As a governor, my concern is that if we try to cost-shift to the states, we're not going to be in a position to pick up the tab,' said Governor Christine Gregoire of Washington, a Democrat.

"'I'm personally very concerned about the cost issue, particularly the $1 trillion figures being batted around,' said Governor Bill Richardson, the New Mexico Democrat who served in the Clinton Cabinet and ran for president against Obama."

"The governors are concerned about unfunded mandates, another situation where the Federal government says you must do X and you must pay for it. Well if they want to reform health care, they should figure out what the rules are and how they are going to pay for it," Gov. Brian Schweitzer (D-MT) said recently. "Instead what they are proposing is – they're figuring out the rules and forcing the states to pay for it." (Gomez, Serafin; "Many Governors Against Health Care Bill, Label it Unfunded Mandate;" *Fox News*, July 19, 2009)

Medicaid currently accounts for approximately 20 to 25 percent of state budgets on average, and the amount of Medicaid spending is already rapidly increasing. According to the Congressional Budget Office (CBO), over the next 10 years, the Medicaid program is projected to cost $5.86 trillion dollars, with states projected to pick up the tab for almost half this amount, or $2.52 trillion.

The Democratic plans to increase financial burdens on states come at a particularly bad time for state budgets. According to a fiscal survey of states released in June 2009 by the National Governors Association (NGA) and the

National Association of State Budget Officers (NASBO), state spending is expected to decline for the second year in a row for the first time in the 32-year history of the survey.   The survey also identified 42 states that have already made mid-year budget cuts.

In testimony before the Senate Banking Committee on July 22, 2009, Federal Reserve Board Chairman Ben Bernanke was asked for his views on how Congress should approach the issue of health care reform. His response (emphasis added):

> *"I do believe, for the broad economy's health and for fiscal health, we do need to address the problem of increasing cost. And so <u>any program that is undertaken should – should look to how we're going to get control of costs so that it will not bankrupt both our government and eventually our economy</u>."*

Later in the same hearing, Chairman Bernanke was asked by Sen. Kay Bailey Hutchison (R-TX) to comment on the impact on states of Washington Democrats' health care and Medicaid proposal, as well as an analysis by the nonpartisan Congressional Budget Office (CBO) that concluded the health care legislation moving through Congress would increase health care costs, not decrease them. Bernanke repeatedly said cost must be "a central part of the discussion" for Congress, even apologizing at one point for sounding like a "broken record" on the matter. This was the exchange (emphasis added):

> *SEN. HUTCHISON: "Thank you, Mr. Chairman. . .I wanted to focus, again, on the health care issue that we are certainly grappling with right now. And, of course, the – the cost estimates are all over the lot. CBO says there's no way this is going to lower the cost to government. And what we're concerned about, of course, is that the government plan then attracts more and more from the private-sector plans. And I just wanted to ask you how you would assess another big government health care program, in addition to Medicare and Medicaid, that are already causing great concern for the future entitlements that will be required, what you think that does to debt, and is it the right approach right now, considering our economy. . .?"*

> *CHAIRMAN BERNANKE: "I think that, from a broad economic point of view, an extraordinarily important [issue] is the cost. We have – medical costs have been rising more quickly than the GDP for a long time now. And even under existing arrangements with Medicare and Medicaid and so on, estimates are that we will, in a few decades, be spending a very big part of the federal budget just to cover those programs. And so while I think there lots of reasons to look at our medical system and try to find*

better ways to deliver health care to more Americans, I would urge Congress to pay a lot of attention to finding ways to bend the curve or to reduce the cost, particularly if the federal government is going to have a bigger share, because then the fiscal challenge becomes even greater. . .”

SEN. HUTCHISON: “Does it concern you that CBO recently came out and said that it would, in fact, raise the curve, not lower it or bend it?”

CHAIRMAN BERNANKE: “Well, I haven’t looked at that in detail, and I don’t – I don’t have any specific comments on the CBO’s analysis. But, again, to reiterate, I think we should make an important part of whatever health care reform we do close attention to the implications not only for the fiscal expenditure, but also for the fact – also for the private sector, because the cost of health care affects businesses and households, you know, even outside the government’s budget. So addressing that cost issue, I think, is – really needs to be a central part of the discussion. . .”

SEN. HUTCHISON: “One of the things that has been brought out is the Medicaid mandate and the cost to the states. And in my home state of Texas, it’s estimated that it would add $3 billion a year to the state budget. And, of course, that is also a great concern and being raised in all of the states with that kind of mandate on top of the – the struggling state budgets, because revenue is down. Do you see that the mandate on Medicaid also is an issue that is going to affect the economy in the long term and the big picture?”

CHAIRMAN BERNANKE: “Well, I understand the – the motivation and the objective of trying to cover more people and to help people who are not already covered by insurance. But not to sound like a broken record, but, once again, the cost is the issue. And if – if governments want to add these costs, they need to think about where else they can cut, where else they can, you know, raise revenue, because we need to have fiscal stability, fiscal sustainability going forward. So as a broad measure, we need to think about how our government’s fiscal picture will look, you know, not just this year, but 5 years from now, 10 years from now, and make sure that, however we choose to structure our health care programs, that we have a sustainable fiscal outlook.”

On July 21, 2009 in *TIME*, journalist Karen Tumulty documents the mounting bipartisan anxiety among the nation’s governors and state legislators regarding the health care legislation currently being rushed through Congress (“Medicaid and the States: Health-Care Reform’s Next Hurdle”). Excerpts (emphasis added):

"Until the nation's governors staged a public revolt last weekend, few people were paying attention to one of the most far-reaching proposals being considered as part of overhauling the health-care system: a dramatic expansion and redefinition of the Medicaid program. Redefining who is eligible for Medicaid would be one of the major means by which lawmakers hope to achieve universal health coverage — which is one of the reasons that governors, whose budgets are already straining under the program's growing costs, are so wary of the idea. 'It depends on what's being proposed,' says Pennsylvania's Ed Rendell, a Democrat. '<u>These could essentially be unfunded mandates, and would be enormously destructive to state budgets</u>.'

". . .The proposal could hardly come at a worse time for governors. The recession has drained state coffers of tax receipts, even as public need for state safety-net services is growing. According to the Center for Budget and Policy Priorities, at least 48 states are facing shortfalls totaling $166 billion — 24% of their total budgets. Rendell, the outgoing chairman of the NGA, was unable to attend the Biloxi meeting because he had to stay in Pennsylvania and struggle with the legislature to find a way to plug a $3.2 billion fiscal hole. Nor, it seems, could the governors' rebellion have come at a worse time for President Obama's health-care-reform effort, which is being hit from every side by growing doubts. . .

House Democrats dispute charges that their legislation would potentially impose a massive unfunded mandate on states, claiming that under the House version of the bill, the federal government would pick up 100 percent of the cost of Medicaid expansion. But according to *TIME*, a draft version of the bill by the Senate Finance committee does not cover this cost. As Tumulty reported in *TIME*:

"Under the [bill] now being considered by the House, all non-elderly people earning at or below 133% of poverty — about $14,400 for an individual and $29,300 for a family of four — would be eligible. The House bill would have the Federal Government pick up the entire cost for those newly covered under Medicaid — $438 billion over 10 years. But <u>a draft proposal by the Senate Finance Committee would have the feds paying the additional cost for only five years, after which the states would have to pick up their typical share of existing Medicaid costs, which averages over 40%.</u>

"The Congressional Budget Office predicts that the House proposal would add 11 million to the Medicaid rolls, accounting for about a third of the estimated 40 million uninsured Americans who would gain health

insurance under the proposal. But there are real questions as to whether the program could handle the strain of that many new clients. Already, it is difficult in some areas to find health-care providers who are willing to accept Medicaid patients. Governors warn that unless they increase the amount that Medicaid reimburses doctors and hospitals — and, with it, the cost of the program — the supply of providers will not come close to meeting the demand for medical services."

In a letter to Senate Finance Committee leaders, the National Association of Medicaid Directors (NASMD) outlined a number of their concerns with the proposed health care legislation in Congress. Noting that they appreciated federal lawmakers' willingness in initial drafts to finance a mandatory expansion of coverage, NASMD warned that the "phase in of normal Federal Medical Assistance Percentage rates will still create great hardships on the state budgets." The massive job loss associated with the Democratic health "reform" proposals, discussed in Part One of this report, also has a direct bearing on state budgets.

PART THREE: UNNECESSARY RED TAPE FOR STATES & CITIZENS

In his May 2009 analysis for the Heritage Foundation, Dennis G. Smith notes that the health care legislation being prepared for enactment in Democratic-controlled Washington poses significant threats to state flexibility. Smith writes:

> *"If developments since the beginning of 2009 are any indication, states. . .are at risk of losing critical flexibilities in the administration of Medicaid. . .States as diverse as Arkansas, Indiana, Montana, Oregon, Tennessee, Vermont, and Utah could all be threatened by Medicaid being pushed back into a uniform federal benefit package. States have been losing program flexibility since the inception of the Obama Administration."*

Smith notes "the Obama Administration has interpreted the maintenance of effort language in the stimulus bill on eligibility to include cost-sharing. This is a more restrictive interpretation than call for by the statute. A state that increases cost-sharing as allowed under current law would put at risk its entire share of $87 billion in federal funds provided under the ['economic stimulus' bill]." Furthermore, Smith observes, the Obama Administration "has delayed final regulations on cost-sharing and benefit flexibility," which "leaves states uncertain as to how they can change their Medicaid programs."

The House Democratic bill includes a new government-run plan that will force states to comply with dozens of new mandates and regulations, preventing them from developing health care programs that best fit the needs of their residents. Such intrusion by the federal government severely hampers the ability of states to manage their own Medicaid programs to best fit their own needs.

In a letter to Senate Finance Committee leaders, the National Association of Medicaid Directors (NASMD) outlined a number of their concerns with the health care debate. One of the organization's points was that removal of income disregards used to determine eligibility for Medicaid for all populations greatly restricts state flexibility in program design. "Regional variances in the cost of living necessitate leaving the ability of stats to use income disregards or other methods to increase the income of certain Medicaid beneficiaries," the letter stated.

The American Legislative Exchange Council (ALEC), which represents more than 1,800 state legislative Members nationwide, is the nation's largest nonpartisan, individual membership association of state legislators. About a third of all state legislators in the United States belong to ALEC. Alarmed by the health care legislation making its way through Congress, ALEC members recently passed a resolution opposing a federal takeover of the American

health care system and sent a letter to House Speaker Nancy Pelosi (D-CA) expressing their concern about such a takeover. According to ALEC:

> *"ALEC's lawmakers recently approved the Resolution on Preserving States' Rights Regarding Federal Health Insurance Exchanges and a Public Plan. . .which deems the public plan [in the congressional legislation] anti-competitive and invokes the Tenth Amendment to the U.S. Constitution in calling the national health insurance exchange a 'federal takeover' of the states' role in regulating health insurance. As a representative to such a broad coalition of state interests, ALEC questions the wisdom and practicality of the public plan and the national health insurance exchange.*
>
> Among the concerns ALEC expressed in its letter to Speaker Pelosi:
>
> *"The public plan will not be competitive. It's an unlevel playing field when the public plan can shift costs to our states' private insurers because of low doctor and hospital reimbursement rates, and then raid the federal treasury for unlimited subsidies. Government will only compete when it can change the rules to win. To have government serve simultaneously as a regulator and a competitor defies common sense. . .*
>
> *"The national health insurance exchange [in the congressional legislation] represents a federal takeover of the states' role in regulating health insurance. States are the primary regulators of the health insurance market today. They provide aggressive oversight of all aspects of the market and ensure a local, responsive presence for consumers. A national health insurance exchange would undermine states' oversight role in health insurance and shift decision-making from states to Washington. . ."*
>
> ALEC continued:
>
> *"We all share the goal that patients deserve to choose their own quality, affordable, private health coverage. But health reform shouldn't just be the job of the federal government. These goals are being advanced—and achieved—by state legislators nationwide."*

PART FOUR: BETTER SOLUTIONS

Rather than forcing Washington-run health care on the American people, Washington should be looking to states like Minnesota, which have pioneered market-based health care reforms.

The Heritage Foundation's Smith writes:

"Medicaid does not provide high quality health care, and its budget pressures are crowding out other state budgetary priorities. . .[T]he President's proposal for a Medicaid expansion and a public program expansion would be a step backward. . .With the centralization of health care decision-making in Washington, choice, competition, and state innovation and experimentation would be put at risk."

Through the GOP State Solutions project, reform-minded Republican legislators in Congress are working with governors and state legislators across the country to craft solutions that will address rising health care costs and increase Americans' access to high-quality health care. Instead of advocating Washington-centered health care, governors in states like Minnesota have promoted health care reform that is market-driven, restores the relationship between doctors and patients, and uses savings from the system to hold down the cost of health care premiums. Their efforts reflect a belief, shared by reform-minded Republicans at many levels of government, that state health care reform and innovation should be encouraged by Congress, rather than discouraged, as would be the effect if the legislation currently moving through Congress is enacted.

In Congress, as part of this movement, Rep. Roy Blunt (R-MO) is leading the House GOP Health Care Solutions Group, which brings together 21 House Republican legislators from committees that have jurisdiction over health care reform. "Americans are worried about their access to quality, affordable health care and they are looking for responsible solutions," Blunt said recently. "Republicans want to fix what's broken in the current system, while keeping what works. To put it simply, when it comes to health care, we want to put patients and doctors in the driver seat."

The Blunt-led solutions group has crafted a plan, publicly unveiled in June 2009, that would expand access to affordable, quality care regardless of pre-existing conditions, protect Americans from being forced into a government-run health plan, make certain that medical decisions are made by patients and their health care providers instead of Washington bureaucrats, and let Americans who like their coverage to keep it. To address rising health care costs, the alternative plan developed by the Blunt-led solutions group:

- Brings greater fairness to the tax code by extending tax savings to those who currently do not have employer-provided insurance but purchase health insurance on their own. This provision would provide an "above-the-line" deduction that is equal to the cost of an individual's or family's insurance premiums.

- Provides immediate substantial financial assistance, through new refundable and advanceable tax credits, to low- and modest-income Americans.

- Recognizes that many Americans who have not yet hit retirement age but may be changing jobs or have lost a job often face higher health care costs. To help those aged 55 to 64, the plan increases support for pre- and early-retirees with low- and modest-incomes.

- Recognizes that one of the largest obstacles for many small businesses when it comes to retaining current employees or creating new jobs is the cost of health insurance. The plan allows states, small businesses, associations, and other organizations to band together and offer health insurance at lower costs just like corporations and unions do.

- Implements comprehensive medical liability reform that will reduce costly, unnecessary defensive medicine practiced by doctors trying to protect themselves from overzealous trial lawyers.

- Provides Medicare and Medicaid with additional authority and resources to stop waste, fraud, and abuse that costs taxpayers billions of dollars every year.

- Creates incentives to save now for future and long-term health care needs by improving health savings accounts and flexible spending arrangements as well as creating new tax benefits to offset the cost of long-term care premiums.

- Gives financial help to caregivers who provide in-home care for a loved one.

Further details on the House GOP Health Care Solutions Group plan are available online here.

CONCLUSION

All wisdom is not in Washington, and nothing underscores this truth more effectively than the health care legislation currently moving through the United States Congress.

Health care reform should help states, families, and small businesses tackle the problem of rising costs. The health care legislation being rushed through Democratic-controlled Washington fails to meet this goal, and would actually increase costs for states, families and small businesses if enacted, destroying jobs and pushing Americans out of their current health care plans in the process.

Health care reform should also increase flexibility for states to develop health care solutions that fit their needs. But the health care legislation being rushed through Democratic-controlled Washington fails in this respect as well. If enacted, it would tie the hands of America's governors and state legislatures, discourage state-level innovation, and subject the American people to a rigid, cumbersome, costly federal bureaucracy.

The American people deserve better. Rather than forcing Washington-run health care on the American people, Washington should be looking to states like Minnesota, which have pioneered market-based health care reforms. Alternative health care reform plans such as the plan developed by the House GOP Health Care Solutions Group, which reflect the experiences and input of reform-minded governors and state legislators, offer better solutions and the potential framework for true health care reform legislation that will help all Americans.