

Rep. Petri's E-Newsletter

August 10, 2009

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Concerning Health Care Reform

Let me be clear about this: We absolutely, positively need health care reform. But, we need it done right. Health care accounts for 18 percent of our economy. If reform is botched, both our lives and our livelihoods will be put at risk.

The vast majority of Americans have some kind of health insurance that they are generally satisfied with, but what they really worry about is rising costs. Health care inflation has outpaced general inflation by approximately 2.5 percent per year. Reforms which bring consumers more information and control over the cost and quality of health care would facilitate a more efficient delivery system.

I believe that we need to institute reforms which reward high-quality care and successful outcomes. Currently, doctors are encouraged to order extra tests because insurance pays them "per procedure," and because they are at high risk of being sued if they miss something they might have caught if they had pulled out all the stops regardless of the cost or the small likelihood of discovering a problem. These incentives should be rebalanced.

Other changes in tax, subsidy and regulatory policies can slow health care inflation while expanding coverage to those who need it at a price they can afford.

One approach which should get more attention is Health Savings Accounts. With HSAs, people deposit money in special tax-free accounts which they can tap for day-to-day health care expenses. Unlike regular insurance coverage, HSAs make people aware of the cost of services. Those who use HSAs are required to carry low-premium high-deductible catastrophic insurance which kicks in to pay for major illnesses.

One thing we should not do, however, is to rush ahead with the legislative proposals being touted by President Obama and the congressional leadership.

President Obama rightly argues that we need to restrain rising health care costs, but the Congressional Budget Office (CBO) has been unable to find truly significant provisions in the

House leadership's plan to do this. Instead, the CBO has stated that the plan would result in over \$1 trillion in new spending over 10 years which would "probably generate substantial increases in federal budget deficits."

The spending would partially be offset by cuts in Medicare and by \$800 billion in new taxes, including hikes on small business - the engine of job creation in this country. According to economic modeling by the President's chief economic advisor, the business tax hikes alone could destroy up to 4.7 million jobs.

The President promises that if you like your current coverage, you will be able to keep it. But what he doesn't say is that the economics of his approach would encourage businesses to drop their coverage and instead move their employees over to the proposed government plan which the President insists on including. Analysts differ on how many people would lose their current coverage, but the correct figure is likely in the tens of millions.

Rather than simplifying health care administration, the House leadership's proposal would create 53 new boards, bureaucracies, commissions or programs.

The fact is, health care reform is complicated. There are many different values and approaches which must be carefully balanced. And, once again, health care accounts for 18 percent of our economy, profoundly affecting our lives and our livelihoods. This is why we should slow down and think before we act.

Coming Up In Congress

The House has recessed for the August District Work Period, and I am in Wisconsin holding Town Meetings and visiting with people at various events.

When Congress returns in September, the major issues which may take us to the end of the year include:

* **Health Care:** The House proposal has been approved by three key committees, but has not yet come to the floor for a vote. Further action is expected in September.

* **Student Loan Reform:** In July the House Education and Labor Committee approved a bill to retire the Federal Family Education Loan program in favor of the Direct Loan program, a change that I have championed for many years as a more cost-effective way to provide government-backed loans to students. It is likely that the full House will consider this bill in September.

* **Card Check:** The House may take up card check legislation in the fall. This is a proposal to allow unions to bypass secret ballot elections when unionizing employees by getting a majority of a company's workers to sign a card.

* **Transportation Bill:** The current federal highway/transit program expires on September 30. Some action must be taken promptly, and we could either approve a new, full six-year program, or a six-, 12- or 18-month extension of the current program.

* **FAA Reauthorization:** The House passed its version in May. The Senate's proposal has been approved by the Senate Commerce Committee, but the Finance Committee needs to act. The current extension authorizing FAA activities expires September 30.

* **Appropriations:** The House has approved all 12 appropriations bills that are due before the new fiscal year starts October 1. So far, the Senate has passed its versions of the Agriculture appropriations, the Energy and Water appropriations, the Homeland Security appropriations, and the Legislative Branch appropriations.

Town Meetings

My latest round of Town Meetings is already under way. This is an opportunity for you to voice your opinion on federal issues in a group setting. Here is a list of the remaining meetings:

MONDAY, AUGUST 10

9:30 - 10:30 a.m., **GREEN LAKE**, Caestecker Public Library, 518 Hill St., Conference Room

2:30 - 3:30 p.m., **HORICON**, City Hall, 404 East Lake St., Activity Room A

THURSDAY, AUGUST 13

9:00 - 10:00 a.m., **OAKFIELD**, Community Center, 130 North Main St.

3:30 - 4:30 p.m., **WATERTOWN**, Municipal Building, 106 Jones St., City Council Chambers

FRIDAY, AUGUST 14

10:00 - 11:00 a.m., **ADAMS**, Municipal Building, 101 North Main Street, Council Chambers

1:00 - 2:00 p.m., **WILD ROSE**, Community Center, 500 Division St.

3:00 - 4:00 p.m., **MONTELLO**, Marquette County Courthouse, 77 West Park St., Public Safety Training Room

What I've Been Up To

Water Infrastructure: On July 14, I joined Rep. Earl Blumenauer and others to introduce H.R. 3202, the Water Protection and Reinvestment Act. It's no secret that our aging wastewater infrastructure is increasingly being overwhelmed, so this bill would establish a trust fund for investing in drinking water and sewage treatment systems.

Health Care: On July 17, as health care reform was being considered in the Education and Labor Committee, where I am a member, I succeeded in winning the approval of an

amendment specifying that consumer-driven health plans such as those successfully used by Manitowoc County will be allowed to continue if the House's health reform package becomes law. I was pleased to be successful with my amendment since I think cost-effective health care has to include Health Savings Accounts and similar options. Despite this concession by my colleagues, however, I voted against the package as a whole for the reasons given at the beginning of this newsletter.

Student Loans: On July 21, the House Education and Labor Committee approved legislation to end the Federal Family Education Loan (FFEL) program in favor of the Direct Loan program. By bypassing private-sector middlemen, Direct Loans are a much more cost-effective way to provide government-backed loans for students. I have been pushing for this change for several years, and if the full House and the Senate agree, the Congressional Budget Office estimates that we will save \$87 billion over 10 years.

Air Safety: On July 29, I joined with other members of the bipartisan leadership of the Transportation and Infrastructure Committee to introduce H.R. 3371, the Airline Safety and Pilot Training Improvement Act. The legislation is designed to enhance airline safety by setting new training and service standards for commercial pilots. The full committee approved the bill July 30.

Dairy: Late in July I joined several other members of the House to restart the Congressional Dairy Farmer Caucus to help protect the interests of our dairy industry which, of course, is of great importance to Wisconsin. The previously-existing caucus had been disbanded after the passage of the 2008 Farm Bill.

In Wisconsin: Noting just a few highlights, on July 19, I was pleased to participate in the grand opening of the new Endeavor Civic Center. Later that day, I joined in the 150th anniversary celebration for the Village of Potter. Happy Birthday Potter! Then, on August 1, I was pleased to host some members of the Aviation Subcommittee at the EAA Fly-In. I will be traveling throughout east-central Wisconsin during the month of August.

Town Meetings: On August 5, I began my latest round of Town Meetings, to be held in 12 locations throughout east-central Wisconsin. So far, these events have attracted record turnouts and have mostly been civil, informative and enjoyable. In addition to the Town Meetings, I am looking forward to a Small Business Conference that I am hosting at Lakeshore Technical College in Cleveland on August 12.

Legislative Update/Small Business Conference

Foreign Affairs: On July 9, by a vote of 318 to 106, the House approved H.R. 3081, the Fiscal 2010 State - Foreign Operations Appropriations bill which would provide \$48.8 billion in Fiscal Year 2010 for the State Department, foreign assistance and other international activities. I voted against this bill because it increased spending by 33 percent, or \$12.2 billion, above fiscal year 2009 levels. The Senate has not yet acted on it.

Military Construction: On July 10, by a vote of 415 to 3, the House approved H.R. 3082, the Fiscal Year 2010 Military Construction and the Department of Veterans Affairs Appropriations bill which would provide \$77.9 billion in fiscal 2010 for military construction, the Department of Veterans Affairs, and related agencies. I voted in favor of this legislation. The Senate has not yet acted on it.

Treasury, White House, DC: On July 16, by a vote of 219 to 208, the House approved H.R. 3170, the Fiscal Year 2010 Financial Services and General Government Appropriations Act. This legislation provides funding for the Department of the Treasury, the Executive Office of the President, the District of Columbia, the federal judiciary, and a variety of independent federal agencies and commissions. The Senate has not yet acted on it.

I voted against this legislation because it would increase federal spending on these activities by six percent over non-emergency levels in fiscal year 2009, thus adding to our escalating national debt. The Senate has not yet acted on it.

Energy and Water: On July 17, by a vote of 320 to 97, the House approved H.R. 3183, the Fiscal Year 2010 Energy and Water Development and Related Agencies Appropriations Act. I voted against this bill because it would increase spending by \$46 million above the fiscal year 2009 level. Furthermore, agencies receiving funding under this bill already received \$58.7 billion in emergency funding, mainly from the stimulus bill. The Senate approved its version of the bill July 29.

Paygo: On July 22, by a vote of 265 to 166, the House approved H.R. 2920, the Statutory Pay-As-You-Go Act, a bill to bring government spending under control and to reduce the federal deficit. Under this legislation, new spending or tax reductions would be balanced by other spending reductions or revenue increases to prevent an increase in the deficit. This standard would be enforced by an across-the-board reduction of all non-protected spending. I voted in favor of the bill. The Senate has not yet acted on it.

Transportation and HUD: On July 23, by a vote of 256 to 168, the House approved H.R. 3288, a bill making appropriations for the Departments of Transportation, Housing and Urban Development. I voted in favor of this legislation. The Senate has not yet acted on it.

Labor, Health and Human Services, and Education: On July 24, by a vote of 264 to 163, the House approved H.R. 3293, the Fiscal Year 2010 Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act. I voted against this bill because it increased spending by seven percent above the FY2009 level. Furthermore, agencies receiving funding under this bill already received \$127 billion in the stimulus bill. The Senate has not yet acted on it.

Cash for Clunkers: On July 31, by a vote of 316 to 109, the House approved H.R. 3435, the Making Supplemental Appropriations for Fiscal Year 2009 for the Consumer

Assistance to Recycle and Save Program Act. This legislation would authorize the transfer of \$2 billion in funds from the Innovative Technology Loan Guarantee Program in the American Recovery and Reinvestment Act to the Cash for Clunkers program. I voted in favor of this legislation, which the Senate also approved on August 6.

Compensation: On July 31, by a vote of 237 to 185, the House approved H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act. This bill would require nonbinding shareholder votes on executive compensation and allow federal financial institutions regulators to have broad control over employee compensation at all regulated financial institutions. I voted against this legislation because its financial services regulation provisions continue the ill-considered trend of government over-involvement in private business matters. The Senate has not yet acted on it.

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