

Dear Friends,

Recently, the House Ways and Means Committee, the committee on which I serve, considered legislation ([H.R. 3200](#)) to enact a sweeping new government takeover of health care in America. Despite strong opposition to this bill, and a great deal of concern and trepidation among the American people, Speaker Pelosi has put it on an alarming and irresponsible fast track. It could be considered by the full House before August. I am writing to you because I am very concerned about the long term, irreparable harm this dangerous experiment will cause to our economy, health care system and nation if it is pushed successfully through Congress.

I agree that we need to work together to improve our health care system. Rising health care costs are putting the squeeze on families, businesses, and government alike, while placing quality health coverage out of reach for too many Americans. Yet, the bill being considered by the House will do too little to bring costs under control, and instead would add hundreds of billions of dollars to our already unsustainable federal deficit. The Director of the nonpartisan Congressional Budget Office (CBO) has estimated that H.R. 3200 would increase the deficit by \$239 billion over the next 10 years.

Central to the House bill, and one of my greatest concerns, is the creation of a so-called “public option,” or more accurately, a new government-run insurance plan – a first step toward a single-payer system like those in Canada and Britain. According to an independent study, nearly 84 million people who currently have employer-sponsored coverage will be forced to join this new government-run plan because private insurers will find it impossible to compete with the federal government and will exit the marketplace entirely, and many employers who currently offer coverage will simply drop it. As private insurance is slowly and irreversibly eroded, the government will take over, resulting in lower quality, less innovation and rationing.

Experience shows that under single payer systems, unelected bureaucrats have immense power and control in medical decisions – decisions that should be made by patients and their doctors. For example, in Great Britain, an unelected board (the National Institute for Clinical Effectiveness, or NICE) has been known to deny coverage for potentially life-saving cancer treatments that are determined to be too expensive. If this may seem far-fetched, it is revealing to know that earlier this year, the "stimulus" bill provided over \$1 billion in funding for something known as "comparative effectiveness research," the same type of research that is used to make coverage determinations in countries like Britain. I offered an amendment at Ways and Means to specifically prohibit the use of this "comparative effectiveness" research to deny coverage on

the basis of cost, but it was defeated. President Obama has promised that health care reform legislation would keep medical decisions in the hands of physicians and patients. If so, why would there be opposition to my amendment to protect Americans from such rationed care decisions?

In order to cover some of the massive costs of the bill, H.R. 3200 would institute one of the largest tax increases in American history, one that would hit small businesses hardest. California taxpayers would face a combined top income tax rate of just under 57 percent, higher than tax levels in France or Sweden, and a level not seen since the stagnant economy of the 1970s. In addition, virtually every business would have to provide government-approved health coverage for their employees – those who do not would face a new 8% payroll tax. But it doesn't end there. Even if they offer "acceptable" coverage, they would still be forced to pay the tab if an employee chooses to join the government-run plan. According to one economic analysis, this new tax would lead to the loss of 4.7 million jobs on top of the 6 million we have already lost in this recession. More job losses, coupled with a punitive tax on families unable to afford health care and making as little \$18,700 per year, is a prescription for a further decline in our economy. Worse yet, this \$828 billion in tax increases won't even pay for the massive cost of this health care bill. After 5 years, the plan begins to run rapidly escalating deficits, adding to our long-term entitlement funding crisis. This is not to mention the new mandates on individuals to buy "acceptable" insurance -- with unelected bureaucrats having the power to define acceptable coverage, so people are likely to be forced to enroll in health plans that cover abortion -- and a massive new expansion of the Medicaid program, which already threatens to bankrupt California and many other states. All of this is buried within the 1000-plus page bill and will only add to the already unsustainable debt facing future taxpayers.

There is a better way. I am supporting a reform plan that harnesses the power of free markets to lower costs and expand access to affordable health care – without putting government in charge. **First, it institutes reforms to rein in frivolous malpractice lawsuits, an issue that is unaddressed in H.R. 3200 and that by some estimates is resulting in billions each year in added costs to physicians and patients.** Our plan would help extend coverage to millions of uninsured Americans at virtually no cost to the federal government through commonsense reforms such as allowing young adults to stay on their parents' health insurance until they turn 25; striking down barriers that prevent small businesses from accessing affordable coverage; and encouraging employers to automatically enroll employees in their health plans. In addition, I support changing the law to allow individuals to buy insurance plans offered in other states that better suit their needs. I also support fixing the inequalities within our tax code that offer deductions on health insurance to larger businesses but not to individuals who don't get health benefits from their job.

Americans want real health care reform – a plan that lowers their costs and lets them keep their

current coverage if they like it. The current reform legislation being rushed through Congress cannot and will not provide that. Instead, it would provide almost no savings for taxpayers, while running the deficit even higher over the next decade and beyond, and most importantly, place even more power in the hands of government – to the detriment of our individual freedoms as Americans. Put simply, it is one of the most important and potentially devastating bills that I have seen in my years in Congress. I don't believe I'm overstating it when I say our nation's future prosperity is at stake in this critical debate.

If you have any questions, or to share your thoughts and views with me, please click [here](#) .