

EDWARD M. KENNEDY
MASSACHUSETTS

United States Senate

WASHINGTON, D.C. 20510

CAMBRIDGE MA.

June 28, 1991

Mr. Joseph E. Connarton
City Clerk, City of Cambridge
Office of the Mayor
City Hall
Cambridge, Massachusetts 02139

Dear Mr. Connarton:

Thank you for your recent correspondence regarding the need for national health care reform.

As you know, the problem of escalating health costs can easily put affordable comprehensive coverage out of the hands of an increasing number of working Americans. I firmly believe that adequate health care should be the birthright of every American and have dedicated much of my time in Congress toward furthering this goal. A staggering 34 million currently lack any form of health insurance, an additional 60 million are underinsured for catastrophic illnesses and injuries, and 15 million Americans do not receive necessary health care because of lack of insurance. I regularly hear from many individuals who face serious problems with our current health care system and advocate the need for national health care reform.

I have joined the Senate Majority Leader George Mitchell in introducing S. 1227, HealthAmerica: Affordable Health Care for All Americans as a response to the twin problems of health care access and rising health care costs. This legislation would build on the traditional system of employer based health insurance by requiring all employers to either provide coverage directly to their workers and families, or contribute a percentage of payroll to a new public program called AmeriCare. AmeriCare would replace the current income-based Medicaid program and be expanded to cover all individuals not directly receiving coverage through the work place. In addition, the legislation calls for sweeping reform of the commercial health insurance industry, including a prohibition on insurers from discriminating against individuals with pre-existing medical conditions.

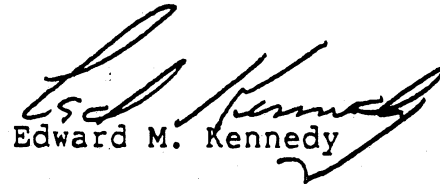
HealthAmerica also establishes a comprehensive strategy to control health care costs at both the Federal and state level. Included in this strategy are provisions to address the various components of the health care cost problem. First, by establishing state-level insurance consortia, the legislation would greatly reduce excessive administrative costs which currently drive up health insurance premiums for small employers and bury

providers in a sea of paperwork, including duplicative claims and utilization review forms. Second, the bill calls for an end to open-ended reimbursement to providers by establishing a Federal Health Expenditures Board which would negotiate global expenditure goals and rate structures for individual sectors of the health care industry. Finally, the legislation contains a number of provisions to help reduce the problem of unnecessary medical care in the system, including increased outcomes research, development of practice guidelines and medical malpractice reform.

HealthAmerica represents a major first step down the road of national health care reform as it addresses both the need to assure universal access to health insurance and to bring escalating health care costs under control. The Senate Democratic leadership intends to make HealthAmerica a top priority in the 102nd Congress.

Thank you for contacting me on this important matter. I appreciate your input.

Sincerely,



Edward M. Kennedy

EMK/rjs

CONSENT COMM. # 20

S-923

Comm. from Senator Edward M. Kennedy regarding
the resolution adopted by the City Council
relative to the national health care reform.

In City Council,

August 7, 1991

Placed on file