

Dissecting the Anatomy of a Congressional Letter

Submitted By:
The Tea Party Palatine

Political Spin

Melissa Bean-D is a Congresswoman in the House of Representatives. She represents the Eighth District of Illinois. During the Healthcare reform debate one of her constituents from Palatine, Illinois expressed his dislike of the Healthcare Reform Bill. He further urged Congresswoman Bean not to support the Bill. Below is the standard letter we are all used to seeing from our elected officials. The Tea Party Palatine has taken the opportunity, after the Bill has already passed, to deconstruct her comments and misrepresentations upon which she built her support for the Bill. This is a lesson to all voters that we can not be deterred by these "brush offs" from our representatives in Washington or Springfield. Keep their feet to the fire like The Tea Party Palatine is doing.

Because the letter from Representative Bean is long, and we wanted to include as much of the response as possible, please go to our website at www.raisetherepublic.com to review the letter before you read the following response. Send us your comments and experiences with standardized responses from your representative to www.raisetherepublic.com.

The Palatine Tea Party has noted numerous false statements from Melissa Bean's letter. We have exposed how out of touch Bean is with the People of Illinois and the fact that she is a standard Washington insider.

Let's first start with the overall healthcare cost. When expenditures such as, the \$70 Billion Class Act, the \$398 Billion that will be taken from the Medicare Trust Fund, the \$208 Billion Doctor Fix, and the \$53 Billion that will be taken from the Social Security Trust Fund are added BACK IN to the total cost of the Patient Protection and Affordable Care Act, the legislation actually creates a \$662 billion new deficit over the first decade alone. In addition, just this month the CBO stated that the legislation will cost an additional \$115 Billion more than originally assumed. This puts the total cost of Obamacare well OVER \$1 Trillion.

This new legislation imposes a tax on small business health insurance plans. Cleverly referred to as a "health insurance fee," this is actually a TAX on small business. This new tax is structured as an annual fee on insurers and it does NOT expire. The annual "fee" begins at \$8 billion in 2014 and steadily increases to \$14.3 billion in 2018. In subsequent years, this fee remains at \$14.3 billion annually added to whatever the rate of premium increase is for that year. One thing health insurers (and the CBO) have made clear is that new taxes on them, means new COSTS passed on to customers.

Worse yet, starting next year, health plans will have a regulated "floor" on their medical-loss ratios (MLR's). This is the amount of revenue they spend on medical claims. Insurers can only spend 20% of their premiums on running their plans if they insure individuals or groups of less than

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50. The spending cap is 15% for policies sold to groups of more than 50. This regulation will hit the Small Group & individual policy holders the hardest. These policies cost more to market. They also have higher medical costs and higher start up costs. If insurers cannot spend more of their revenue getting plans on track, fewer new policies will be offered and existing policies will be altered negatively. One Illinois carrier (Guarantee Trust Life) just sent a letter out to their EXISTING policy holder's stated they are no longer offering coverage in their HOME State and are raising existing policy holders' deductibles to \$25,000 per person AND they are also INCREASING their premiums. This is

already happening because all carriers must be compliant with the new MLR's by January 1st, 2011.

To state that this legislation is "good for business" is simply untrue. We have already heard numerous companies announce that this new legislation will cost them hundreds of millions

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every year including: John Deere, Boeing, Caterpillar, Prudential Life, 3M, Honeywell, AK Steel Holding Corp, ITW, Valero Energy, Allegheny Technologies and Verizon.

We also can not forget that Social Security is now officially broke. So it is fiscally impossible to take \$53 billion from the Social Security Fund without raising Social Security taxes. This being the case, it is fiscally impossible for this legislation to "yield a deficit reduction of \$1.3 Trillion". In fact, the legislation creates over \$500 Billion in new taxes. In the year 2019 alone this legislation will levy more than \$3.9 Billion in new taxes upon individuals making LESS than \$200,000 & couples making less than \$250,000 This is exactly the opposite of what our President promised us.

The new legislation also cuts Medicare spending by more than \$500 billion in order to finance the new health insurance purchase subsidies for families making up to \$88,000 a year. These cuts are a perfect example of government bureaucrats interfering with doctor and patient decisions. So you see, this new legislation is not about cost cutting, it is instead about cost shifting. In fact, there are very few, if any measures in the bill that tackle the \$760 billion in annual waste and fraud that already exists in our health care system. Simply cutting HALF that waste and fraud would afford us the ability to purchase a gold plated health care plan for EVERY one of the 45 million uninsured.

The question that should be asked is who comprise the 45 million uninsured? Thanks to the U.S. Census Bureau we know exactly who they are. Half are temporarily uninsured for an average of 4 months. 38% can afford to purchase health insurance coverage, but they choose not to do so. 18 million make more than \$50,000 a year and 10 million of those make more than \$75,000 a year. 12 million can not possibly be uninsured Americans because they are illegal immigrants. So this leaves about 8 million chronically uninsured.

To state that an insurance company can simply "drop"

you because you "file a claim" is simply untrue. It is already illegal in all 50 states to "drop" a policy holder's coverage when they make a claim. In fact, the only time a policy rescission can occur is in the case of fraud. Rescissions are also only allowed by the state insurance commissioner if such a "pre-existing" condition were severe enough to have warranted that the applicant be declined for coverage had he/she disclosed the condition at the time of application. The new legislation simply mirrors this existing law.

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The procedure in Illinois and in most states is also very clear when it comes to raising health insurance premiums. Health insurance premium increases must be reviewed by the State Department of Insurance. When Small Group Health Insurance premiums need to be increased they are reviewed by the State Department of Insurance before any such rate increase is passed on to policy holders. Such rate increases must also be justified by a trained actuary and can not under any circumstances just be "raised arbitrarily".

Regarding pre-existing conditions, currently 90% of the American Insured are insured on group health insurance policies under HIPAA portability laws that were written 14 years ago. HIPAA portability law states that if you have had 18 months of prior coverage with no lapse of more than 63 days, the new group health insurance policy you are enrolling in must cover your pre-existing conditions from day one. Such is the case with all group health insurance policies. Yet 10% of the American insured purchase their health insurance on the individual market. As such, they are not protected in the majority of states under existing HIPAA Portability laws. Why? Why did the federal legislators not include protection for individual health insurance policy holders 14 years ago? If they had done so, the term "pre-existing condition exclusion" would never have entered our vernacular and millions of American's would have been protected against the exact abuses mention in Bean's letter.

Because the Federal legislators EXCLUDED individual policy holders from ANY portability protection, 35 States created their own high risk health insurance pools to provide guaranteed insurability to individuals with pre-

existing conditions. 10 additional States have guaranteed individual health insurance mandates and the ability to purchase group health insurance is available in all 50 States. In our state of Illinois, the risk pool is called ICHIP (Illinois Comprehensive Health Insurance Plan). NO ONE in the state of Illinois has to "dread the expiration of COBRA benefits and access to health insurance for their families". EVERY family and EVERY citizen in Illinois can already continue their health insurance coverage by enrolling in the aforementioned ICHIP high risk health insurance pool. In fact, ICHIP's HIPAA PLAN 5 guarantees those who are coming off of an exhausted Cobra plan immediate coverage for their pre-existing conditions. State continuation of coverage is also available for people who work for an employer with less than 20 employees and as such are not protected by Cobra.

Illinois residents already have a plethora of options from a multitude of health insurance carriers. In fact, the exchanges will be offering them coverage from the exact same insurance companies that they have access to today. Their choices may be even less in 2014 due to the aforementioned new medical loss ratios and increased taxation forced upon health insurance companies. The only difference in the exchanges will be that the Illinois tax payer will be subsidizing large portions of those 31,500 uninsured family's premiums. The last thing we need is another tax burden on Illinois tax payers brought about by providing "subsidies" to 31,500 uninsured eighth district families, some making as much as \$88,000 a year.

The Palatine Tea party will debate Bean publicly on any of the healthcare topics anytime and anyplace. If Bean has read the Patient Protection and Affordable Care Act bill and understands its parts then she should have no issues with this public debate. Failing to accept this public debate will clearly indicate she voted "yes" for this legislation without reading and understanding it and proves she is out of touch with the voters of Illinois. ■

The Conservative Magazine of Illinois asks you not to be discouraged when you receive a standardized letter from your elected official. When we stop writing, calling, and voicing our opinions they will win. Just think how much we slowed down the Healthcare legislation with the town halls, letters, phone calls, petitions, etc.. They want us to become disenfranchised, and we can not let that happen.