

International  
Association of  
Machinists and  
Aerospace Workers



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OFFICE OF THE INTERNATIONAL PRESIDENT

August 31, 2006

Subj: Interim Recommendations of the  
Citizens' Health Care Working Group

Patricia A. Maryland, Dr.P.H.  
Chair, Citizens' Health Care Working Group  
7201 Wisconsin Avenue NW, Room 575  
Bethesda MD 20814

Dear Dr. Maryland:

The International Association of Machinists and Aerospace Workers is pleased to have this opportunity to offer comments on the Citizens' Health Care Working Group's Interim Recommendations.

The International Association of Machinists and Aerospace Workers (IAM) is a labor union representing 720,000 active and retired employees across North America. Health care costs, coverage, and quality are critical concerns for our members, so we appreciate the diligent efforts of the Working Group's members in investigating and reporting on these issues. In representing our members, we have been on the front lines of the fight to preserve and expand quality, affordable health care.

The findings contained in the Working Group's report reflect some of our own observations on the state of health care in the U.S. - specifically, that the American health care system is losing the twin battles of expanding coverage and controlling costs, and that ordinary Americans are suffering as a result. Likewise, we believe that many of the interim recommendations will resonate with our members and offer a helpful pathway toward fixing our failing health care system.

**CHCWG Recommendation: It should be public policy that all Americans have affordable health care**

We believe that the report's most important recommendation, that all Americans should have affordable health care as a matter of public policy, should appear at the outset of the report to reflect the overwhelmingly strong public consensus on this point. In addition, because attaining the goal of affordable healthcare for all will in large part depend on how the report's other recommendations are implemented, it is important for this recommendation to be treated at the outset.

The emphasis that citizens in your forums placed on the issues of access and security is not surprising, given what we know about what is wrong with health insurance as it exists today. Even Americans who have health insurance worry about coverage gaps, losing coverage because of unemployment, and/or the inability to pay escalating premiums.

We agree that answering the question of “how do we pay for coverage for all?” should start with the principles of fairness, efficiency, and shared responsibility. But we believe that an additional criterion is in order – that is “to do no harm.” To the extent that different financing mechanisms can create incentives with varied impacts, public policy should avoid approaches that move us in the wrong direction – that is, toward less coverage, lower quality, and higher cost.

Also, we agree with the majority of Americans who believe that a “simpler, more seamless” system of coverage is more likely to move us in the right direction of expanded coverage, improved quality, and controlled costs, than so-called “consumer directed” approaches, which fracture risk pools, do little to improve quality, and increase administrative costs.

### **CHCWG Recommendation: Define a “core” benefit package for all Americans**

We agree that all Americans should be able to rely on a “core” set of defined services, encompassing preventive care, acute treatment, and palliative care. At the same time, we believe that the construction of a “basic health package” must be approached cautiously. First, “basic” or “core” benefits should be viewed not as minimal, bare bones, or stripped down coverage, but rather, should represent a broad level of benefits that provide Americans with the care they need to enjoy good health across their life span. Second, it will be critical for the process of determining these “core benefits” to be free of financial conflicts of interest and political considerations. All too often, such influences are at work in our present system, undermining the goals of expanding coverage, controlling costs, and improving quality. Third, the process must include health care consumers and their representatives, as well as medical professionals and government regulators.

### **CHCWG Recommendation: Financial protection against very high health care costs**

We believe that a major source of Americans’ anxiety over health care is the well-established link between catastrophic illness and financial devastation. Therefore, guaranteeing families against high out-of-pocket medical costs should be a top priority for policy makers. All Americans should be protected against catastrophic medical expenses, so that illness does not lead to economic ruin. That said, broad-based coverage against such losses should be viewed as an important but incremental step toward the long-term goal of affordable, comprehensive coverage for all Americans. For that reason, we believe reinsurance models (as opposed to promotion of high-deductible, individual insurance plans) are the preferred approach. Moreover, we strongly believe that widely held values of shared responsibility and fairness are more likely to be reflected in reinsurance approaches, and speak against “consumer directed,” high-deductible, individually-based insurance policies.

### **CHCWG Recommendation: Efforts to improve quality of care and efficiency**

Efforts to improve the quality of health care and to eliminate waste and inefficiency should be supported. However, at the same time that new technologies (such as keeping medical records electronically) can enhance the quality and efficiency of health care delivery, they also pose

important questions about confidentiality and patient control of health care. Thus, as new technologies and methods are introduced, care must be taken to protect individuals' privacy rights. To the extent that individuals are not confident that privacy will be protected, such concerns will limit the reach and effectiveness of new technologies.

While we generally support the report's recommendations to promote the dissemination of more and better information on the quality of health care, we have two concerns. First, we believe that the effectiveness of this recommendation would be enhanced by broadening the scope to encompass "purchasers" rather than only "individuals." To the extent that millions of Americans participate in group health insurance plans, such a change will reflect the importance of group plan sponsors being informed and careful purchasers of health care services. Second, while we believe that more information is always preferable to less, we ought not to develop an over-reliance on the notion that consumer choice and market forces will fix what is wrong with our health care system. Obviously, in an acute, emergency situation, an individual's choice of where to seek treatment may not be a relevant consideration. Moreover, the recent experience of the Medicare Prescription Drug program calls into question whether "choice" always enhances well-being.

#### **CHCWG Recommendation: Support integrated community health networks**

We believe it is critical for Americans to be able to have access to high quality care in their own communities. Thus, we support the report's recommendations to expand integrated community health networks. While we believe that the report raises interesting proposals to broaden Federal support for such networks and create incentives for growing such networks, we believe such incentives should be narrowly tailored. We do not believe that Federal dollars intended to support community-based health care should be used to pad the bottom lines of for-profit enterprises.

On behalf of the IAM's membership across North America, I thank you for considering our views on these critical issues facing our nation. We look forward to participating in the important dialogue that will certainly follow the Working Group's final report.

Sincerely,

A handwritten signature in black ink, reading "R. Thomas Buffenbarger". The signature is written in a cursive style with a large, prominent initial "R".

R. Thomas Buffenbarger  
International President

RTB/ec