Exhibit 19

Calendar No. 184

111TH CONGRESS *1st Session*	SENATE	REPORT 111–89

AMERICA'S HEALTHY FUTURE ACT OF 2009

R E P O R T

[TO ACCOMPANY S. 1796]

ON

PROVIDING AFFORDABLE, QUALITY HEALTH CARE FOR ALL AMERICANS AND REDUCING THE GROWTH IN HEALTH CARE SPENDING, AND FOR OTHER PURPOSES

together with

ADDITIONAL AND MINORITY VIEWS

COMMITTEE ON FINANCE
UNITED STATES SENATE

OCTOBER 19, 2009.—Ordered to be printed

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Mr. BAUCUS, from the Committee on Finance, submitted the following

R E P O R T

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ADDITIONAL AND MINORITY VIEWS

[To accompany S. 1796]

[Including cost estimate of the Congressional Budget Office]

The Committee on Finance, having considered an original bill, S. 1796, to provide affordable, quality health care for all Americans and reduce the growth in health care spending, and for other purposes, reports favorably thereon and recommends that the bill do pass.

I. BACKGROUND AND NEED FOR LEGISLATION

The U.S. health system is in crisis. In 2008, over 46 million Americans were uninsured and millions more have lost their health coverage as a result of the recent economic downturn. Another 25 million people are underinsured, with coverage that is insufficient to protect against the cost of a major illness. The rising cost of health care outpaces wages by a factor of five to one, placing an ever greater strain on family, business, and government budgets.

Improving the health system is one of the most important challenges we face as a nation, and the inability to achieve comprehensive health reform will undermine any efforts to secure a full and lasting economic recovery. Health reform is an essential part of restoring America's overall economy and maintaining our global competitiveness.

Health care reform is also necessary to protect the finances of working families. Between 2000 and 2009, average family premiums for employer-sponsored health coverage increased by 93 percent—increasing from $6,772 to $13,073—while wages increased by only 19 percent in the same period. Rising health care costs and mounting medical debt account for half of all filed bankruptcies—affecting two million people a year.

Countless studies have shown that those without health coverage generally experience worse health outcomes and poorer health compared to those who are insured. The uninsured are less likely to receive preventive care or even care for traumatic injuries, heart attacks, and chronic diseases. As a result, 23 percent forgo necessary care every year due to cost, while 22,000 uninsured adults die prematurely each year as a result of lacking access to care.

A majority of the uninsured has low or moderate incomes—with two-thirds in families with an annual income less than twice the Federal poverty level (FPL). Eight in ten of the uninsured are in working families in which workers are either not offered coverage by their employer or they do not qualify for employer-offered coverage.

Hospitals and clinics provide an estimated $56 billion annually in uncompensated care to people without health insurance, and those with health coverage pay the bill through higher health care costs and increased premiums. This so-called "hidden health tax" cost the average family over $1,000 in high premiums last year. An estimated ten percent of health care premiums in California are attributable to cost shifting due to the uninsured.

Rising health costs have taken a toll on U.S. businesses as well. An estimated 159 million Americans receive health benefits through an employer, with the average cost of this coverage reaching $4,824 for single coverage and $13,375 for family coverage in 2009. Over the last decade, employer-sponsored coverage has increased by 131 percent, forcing employers—particularly small employers—to make difficult choices among painful options to offset increasing health costs. These choices include raising workers' premiums, limiting raises or reducing bonus pay, eliminating family health benefits, or providing less-than-comprehensive health coverage.

Federal and state governments have also struggled with health care costs. The Congressional Budget Office has noted that rising health care costs represent the "single most important factor influencing the Federal Government's long-term fiscal balance." The U.S. spends more than 16 percent of our gross domestic product (GDP) on health care—a much greater share than other industrialized nations with high-quality systems and coverage for everyone. By 2017, health care expenditures are expected to consume nearly 20 percent of the GDP, or $4.3 trillion annually. Spending for Medicare and Medicaid, due to many of the same factors found in the private sector, is projected to increase by 114 percent in ten years. Over the same period, the GDP will grow by just 64 percent.

Despite high levels of spending on health care, a recent study by the Institute of Medicine concludes that the current health system is not making progress toward improving quality or containing costs for patients or providers. Research documenting poor quality of care received by patients in the U.S. is shocking. A 2003 RAND

Corporation study found that adults received recommended care for many illnesses only 55 percent of the time. Needed care for diabetes was delivered only 45 percent of the time and for pneumonia 39 percent of the time. Patients with breast cancer fared better, but still did not receive recommended care one-quarter of the time.

Compared to other industrialized countries, our quality of care does not reflect the level of our investment. The U.S. ranks last out of 19 industrialized countries in unnecessary deaths and 29th out of 37 countries for infant mortality—tied with Slovakia and Poland, and below Cuba and Hungary. Our rate of infant mortality is double that of France and Germany.

In short, Americans are not getting their money's worth when patients receive services of little or no value—such as hospitalizations that could have been prevented with appropriate outpatient treatment, duplicate tests, or ineffective tests and treatments. Yet the current system does little to steer providers toward the right choices. Even though more care does not necessarily mean better care, Medicare and most other insurers continue to pay for more visits, tests, imaging services, and procedures, regardless of whether the treatment is effective or necessary, and pay even more when treatment results in subsequent injury or illness.

Providers are not consistently encouraged to coordinate patients' care or to supply preventive and primary care services, even though such actions can improve quality of care and reduce costs. Rewarding providers that furnish better quality care, coordinate care, and use resources more judiciously could reduce costs and, most importantly, better meet the health care needs of millions more American patients.

Each of the key challenges facing our health care system—lack of access to care, the cost of care, and the need for better-quality care—must be addressed together in a comprehensive approach. Covering millions of uninsured through a broken health system is fiscally unsustainable. Attempting to address the inefficiencies plaguing our system and the perverse incentives in the delivery system without covering the uninsured will not alleviate the burden of uncompensated care and cost shifting. The time for incremental improvements has passed; health care reform must be comprehensive in scope.

It is in this context that the Finance Committee developed the legislative proposal that would become the "America's Healthy Future Act." The legislation approved by the Finance Committee addresses the challenges facing our health care system by expanding health coverage to 29 million Americans, improving quality of care and transforming the health care delivery system, and reducing Federal health spending and the Federal deficit over the ten year budget window and in the long run.

As a general principle, the bill allows those who like their health insurance to keep what they have today. For the millions of Americans who don't have employer-sponsored coverage, cannot afford to purchase coverage on their own, or who are denied coverage by health insurance companies due to a pre-existing condition, the Chairman's Mark reforms the individual and small-group markets, making health coverage affordable and accessible. These market reforms would require insurance companies to issue coverage to all individuals regardless of health status, prohibit insurers from lim-