



December 16, 2009

Honorable Mary Landrieu
United States Senate
328 Hart Senate Office Building
Washington, DC 20510

Dear Senator Landrieu:

I am writing to you on behalf of health plans operating in Louisiana and over 2 million people for whom these plans provide coverage and services. It was with great disappointment and concern that we read statements attributed to you yesterday in support of the legislation being considered by the U.S. Senate. I urge you to vote against the Senate health care reform bill in its current form.

We have serious concerns about the so-called "Patient Protection and Affordable Care Act" being considered by the Senate and the negative effect we believe it will have on Louisiana citizens.

You encouraged families and small business owners on November 21 when you told your Senate colleagues that you were "going to stay focused like a laser" on lowering health care costs. However, the current Senate bill lacks provisions to contain costs, one of the chief goals of health care reform. Instead, it is loaded with provisions that will increase premiums for individuals and small businesses already struggling with rising costs.

One of the ways this legislation would raise premiums is through the new "health insurance premium tax." It appears that the average premium in the individual and small group markets would rise by \$75 to \$100 per year as a result of the tax on health plans alone. Additional excise taxes on pharmaceutical companies, medical device manufacturers and laboratories – which provide products and services to health plan members – would also be passed on to consumers and businesses.

The director of the Congressional Budget Office (CBO) has stated that these taxes would "raise insurance premiums by roughly the amount of the revenue collected" and that the CBO had projected an increase in individual premiums by 10 to 13 percent as a result of the legislation.

Health plan leaders have for a long time promoted the idea of broad access to coverage through an industry-wide prohibition of pre-existing condition provisions. We have appreciated your recognition that a strong coverage mandate is essential to making this far-reaching change workable. We do not believe the enforcement provision in the Senate bill is nearly sufficient. The chief actuary for the Centers for Medicare and Medicaid Services confirmed our opinion when he stated last week that the penalties in the bill for not buying health insurance are so weak that the mandate "wouldn't have a significant impact."

Health plans in Louisiana are also very concerned about the effect Congressional action could have on seniors who rely on the Medicare Advantage program for their benefits. The insistence by Congressional leaders that they pay for reform in part by reducing Medicare funding would affect more than 152,000 Louisiana seniors enrolled in this program. Enrollees in some parts of Louisiana could see their premiums rise by \$85 to \$90 per month as a result of the changes proposed by Congress.

Medicare Advantage plans provide richer benefits than traditional Medicare – including coverage for prescription drugs – and have a proven record of better coordination of care for seniors, all for low or even no premium. Seniors enrolled in Medicare Advantage seem particularly happy with their health care coverage. Disrupting them would be another step in the wrong direction.

We believe that you were considering the best interest of Louisiana when you negotiated for the provision in the Senate bill for Medicaid funding. However, if Louisiana receives the money through the passage of the current Senate bill, it is obvious that it will be the families, seniors and small businesses of the state who actually pay it.

Please give careful consideration to these facts before casting your vote. It is not too late to deter the Senate from its current disastrous course and to turn it instead toward health care reform that will truly benefit the people of our state.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gil Dupré".

Gil Dupré
Chief Executive Officer