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November 20, 2009

NEWS RELEASE

Congressional Health Care Reform Proposals Would Make Health Care More Expensive, Reduce Benefits for Louisianians

BATON ROUGE – The Louisiana Association of Health Plans (LAHP) today warned that Louisianians could experience higher health care premiums and reduced benefits if proposals being considered by Congress should become law.

According to Gil Dupré, chief executive officer for LAHP, “Louisiana health plans have supported comprehensive health care reform since the beginning of the national debate. Our plans have offered significant changes that include creating greater access to coverage by dropping the use of pre-existing condition provisions.”

Dupré also commented that the problem with the current proposals in Congress is that they don’t address the most significant problem in health care – cost.

“Unfortunately, the proposals being considered by Congress would not make health care more affordable for working families and individuals in Louisiana; in fact, provisions in those bills would add to the cost of care and coverage,” Dupré said.

If the reforms proposed by U.S. Senate leadership this week should be enacted, premiums in Louisiana could increase 49 percent in the individual market and 28 percent in the small group market (over ten years), according to data from the Kaiser Family Foundation, PricewaterhouseCoopers, Oliver Wyman and America’s Health Insurance Plans. According to Dupré, the reason for these projected increases is that “current legislation relies on tax increases and benefits cuts rather than ways to reduce health care costs.”

Congress is considering billions of dollars in cuts to the Medicare Advantage program. If approved, beneficiaries could see their health coverage change dramatically in the form of fewer benefits, higher premiums, and more out-of-pocket costs. In some instances, such plan options could be eliminated altogether.

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More than 150,000 Louisiana seniors choose to get their benefits from the Medicare Advantage program, which provides benefits above and beyond traditional Medicare, and has a proven record of improving the health of seniors.

Government agencies have said that Medicare Advantage enrollment is expected to decrease if deep cuts are implemented. A memorandum from the Office of the Actuary at the Centers for Medicare and Medicaid Services has stated: “We estimate that in 2014, when the Medicare Advantage provisions would be fully phased in, enrollment in Medicare Advantage plans would decrease by about 64 percent (from its projected level of 13.2 million under current law to 4.7 million under the proposal).”

Dupré said, “This development would be a terrible blow to tens of thousands of Louisiana seniors.”

He continued, “Our leaders in Washington promised Louisianians that health care reform would make care more affordable for everyone and that people could keep their coverage if they were satisfied with it. What we’re seeing with the proposals now being pushed in Washington is the breaking of those promises.”

The U.S. House of Representatives passed its version of comprehensive health care reform legislation on November 7. The U.S. Senate is expected to consider its bill in the coming days.

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The Louisiana Association of Health Plans (LAHP) is the state trade association for the health benefits industry. The association serves as the advocate of the health benefits industry in delivering quality, cost-effective health care benefits in Louisiana. For more information, visit www.lahp.net.