

**Committee for Economic Development**



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Charles E.M. Kolb  
President

September 24, 2009

Chairman Max Baucus  
United States Senator, Montana  
Hart Senate Office Building, SH-511  
Washington, DC 20510

Dear Chairman Baucus:

On behalf of the Trustees of the Committee for Economic Development, I urge you to adopt Senator Ron Wyden's "Free Choice" Amendment. This week, CED endorsed the amendment which would eventually allow every American access to more affordable health insurance choices.

Yesterday, the Congressional Budget Office released an analysis showing that the "Free Choice" Amendment's market-based approach would reduce the net impact on deficits by \$1 billion over 10 years. The merit of the amendment is that it drives plans to improve because they must compete on quality and price. The Lewin Group estimates that the proposal would "...reduce national health spending by \$360 billion over the next 10 years and this reduced health spending would reduce the amount of revenue forgone through the health tax exclusion by \$129.8 billion over that 10-year period."

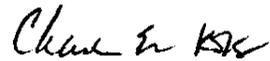
Based on extensive research and recommendations published in CED's 2007 statement, *Quality, Affordable Health Care for All*, CED believes that allowing every American access to the exchanges would reform the insurance market by forcing it to compete based on cost and quality. This is further supported by the Congressional Budget Office's analysis of the savings from competition in the health exchanges under Senator Wyden's Healthy Americans Act proposal, which would yield billions in savings.

Through government organization of the exchanges and regulation of the insurers, we can ensure a transparent marketplace, and sound standards for high-quality plans through which consumers can choose the right care for their personal needs, regardless of their employer. If consumers want to keep their plans, they have that option, but if there is another low cost, high quality plan, they should have the option to save money. By empowering consumer choice, we can reform the insurance market and hold

insurers accountable. Insurers in turn will be forced, by market pressure, to collaborate with the most efficient delivery systems that provide the highest quality and lowest cost. The principles of choice, cost-control and competition have bipartisan support, and this model works to bend the cost curve.

On behalf of CED's Trustees, we urge you to adopt this amendment. Thank you for your leadership on the Finance Committee and your commitment to improving the health care of all Americans.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles E.M. Kolb". The signature is written in a cursive style with some stylized flourishes.

Charles E.M. Kolb

Attachment:  
CED press release



**Committee for Economic Development**

**For Immediate Release**

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## **BUSINESS LEADERS SUPPORT “FREE CHOICE” AMENDMENT TO SENATE HEALTH-CARE BILL**

### **Committee for Economic Development Backs Effort to Improve Choice and Competition**

**Washington, D.C. September 21, 2009** – The Committee for Economic Development (CED) today urged the Senate Finance Committee to amend the America’s Healthy Future Act (sponsored by Senate Finance Committee Chairman Max Baucus (D-MT)) by adopting the “Free Choice” amendment submitted by Senator Ron Wyden (D-OR). The “Free Choice” amendment is a key element of the Healthy Americans Act (S. 391) which was endorsed by CED in June of this year.

“Consumer choice among health plans is essential. Senator Wyden’s amendment to the Senate Finance Committee bill would add consumer choice and make reform work. Choice would lead to real competition in health care, and that is the only way to bring costs under control for business and consumers,” said CED President Charles Kolb.

In July, CED released a [statement](#) opposing bills that would expand coverage but fail to control costs. CED said that merely expanding the current inflationary and inefficient system would raise the cost of health care and threaten everyone’s coverage. The Wyden Amendment would avoid that danger by bringing choice and competition to health care so that consumers benefit financially from choosing a more efficient health plan.

"All Americans need better choices for health insurance, and the Wyden proposal is a way to achieve that important objective," said Carl Camden, President and Chief Executive Officer of Kelly Services, Inc. and a CED Trustee. "The need is especially acute for the 25% of the U.S. workforce who work outside the traditional employer-employee relationship, and are significantly disadvantaged solely on the basis of their workstyle choice."

For more information on CED’s work on health-care reform, please visit [www.ced.org](http://www.ced.org).

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CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Since 1942, its research and policy programs have addressed many of the nation’s most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.