

JOSEPH I. LIEBERMAN
CONNECTICUT

COMMITTEES:
ARMED SERVICES
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SMALL BUSINESS

United States Senate
WASHINGTON, DC 20510-0703

SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-4041
STATE OFFICE:
ONE COMMERCIAL PLAZA
21ST FLOOR
HARTFORD, CT 06103
203-240-3566
TOLL FREE: 1-800-225-5605

December 9, 1993

Mr. Thomas D. Bowler
101 Slocum Road
Hebron, CT 06248

Dear Mr. Bowler:

Thank you for your thoughtful letter concerning health care reform proposals. You raised concerns about the cost of medical services, price caps, and the issue of who pays for insurance. I appreciate your helpful suggestions on ways to finance a national health care program that provides a basic package of benefits for all Americans -- in particular, your views about establishing a program of national service to train a new generation of doctors, nurses, and technicians who would each repay his or her medical school tuition by serving an appropriate internship in a military or Veterans Administration hospital.

Insofar as your views about national service are concerned, the President's American Health Security Act would include incentives for doctors to practice in rural areas. Specifically, it would expand the National Health Service Corps and their loan repayment program, increase incentives for medical schools to train more primary care doctors, and give states flexibility to develop programs that are more responsive to rural needs. It would also give additional funds to rural doctors and hospitals in underserved areas -- people who are designated as "essential providers."

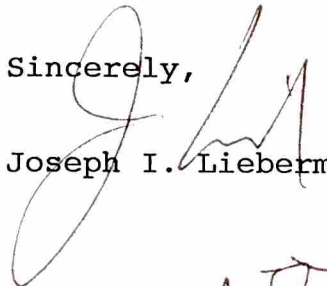
I commend the President for demonstrating strong leadership to put this nation on a journey toward health care reform. While I support many of the concepts embodied in the President's health care plan, I share your concerns about price controls and the need for greater competition. I recently joined with Senators Breaux, Durenberger, and Nunn in sponsoring a bipartisan, alternative approach to health care reform, the Managed Competition Act of 1993. While it fulfills all six goals outlined by the President in his speech to the nation: security, quality, choice, savings, personal responsibility, and simplicity, it does it in a way that is affordable, that is less disruptive to our economy and to jobs, and with less bureaucracy and government management.

Like the President's plan, the Managed Competition Act will accomplish major, far-reaching reform. The bill will change insurance laws, so that no American will be denied coverage for a preexisting condition, and no American will lose their coverage if they lose or change their job, or if a major new illness occurs in their lives. The bill will make affordable, high-quality health care available by establishing purchasing cooperatives

where small businesses and individuals can obtain lower-cost coverage and by improving competition among health care providers. The bill will also subsidize insurance for those individuals who cannot afford it. The bill is less expensive than the President's plan. The Federal government's share is financed primarily through capping the deductibility of employers' expenditures on health care premiums and by reducing Federal expenditures on Medicare.

As the health care reform debate progresses, I will be working to combine the best of the President's plan with the market-oriented approach contained in the Managed Competition Act. We need to ensure that the health care needs of every American are met in an affordable program that maintains the high standards of care Americans expect. We need to fix what is wrong with the current system without hurting what is right. In implementing comprehensive reforms to our health care system, I assure you that I will certainly keep your thoughtful ideas in mind as we consider the most equitable means of financing basic health care benefits for all of our nation's citizens.

Sincerely,


Joseph I. Lieberman

JIL:vh

THANKS for your letter.
I'm so glad it took so
long for us to receive
I appreciate your story of
the little woman
and her family. It really
was an important and valid
point.