

# THE DEMOCRATIC NATIONAL COMMITTEE WEEKLY UPDATE

BROUGHT TO YOU BY THE DNC COMMUNICATIONS DEPARTMENT

March 5, 2010

## What's Happening?

**The Final March For Reform.** Last week, the President held a bipartisan meeting to have an honest, open and productive discussion with both Democrats and Republicans about health insurance reform. Leaders from both sides of the aisle came together at the Blair House to share their ideas on how to tackle unfair insurance company practices and rising health care costs. While there were some fundamental disagreements on how to approach reform, there were also some important areas of agreement and following the meeting, President Obama sent a letter to Congressional leaders highlighting some key ideas that will be incorporated into the final legislation. The full text of the letter can be found [here](#).



But after a year of discussions like these all across the country, it's time to act. Earlier this week, President Obama called on Congress to take a final up or down vote on the health care legislation that has already passed in both the House and the Senate. American families and businesses cannot continue to bear the burden of skyrocketing premiums and unfair insurance company practices. We need to pass health insurance reform now that gives consumers control of their own health care by lowering costs, cutting taxes and holding health insurance companies accountable. After calling on Congress to act, President Obama filmed a special message to his supporters, urging them to take action on the Final March for Reform. [LINK](#)

**Taking On Big Insurance Companies.** The cost of health insurance premiums has gotten out of control. This year alone, in some states people have seen their rates go up as much as 20, 30, even 40 percent. To find out why this is happening and to hold insurance companies accountable for their actions, Health and Human Services Secretary Kathleen Sebelius met with representatives from the insurance industry to ask what we can do to rein in costs and ask why they are placing these crushing burdens on middle class families. These unreasonable rate increases are another important example of why we need to take the power out of the hands of the insurance companies and put it in the hands of American families and small businesses.

**Preparing Our Children For Success.** This week the President announced the first round of finalists for his Race to the Top program – you can click [here](#) to see if your state made the cut. The President also announced the Race to the Top High School Commencement Challenge, giving Students across the country the opportunity to ask President Obama to deliver their commencement speech.



To help students succeed in these challenges, President Obama also announced new investments to ensure students are prepared for college and successful careers. In an announcement this week with General Colin Powell, Chair of America's Promise Alliance, the President laid out plans to invest more than \$3.5 billion in schools with low graduation rates to help them get back on track.

**Focus On Jobs.** Creating jobs has always been President Obama's top priority. This week we learned unemployment is at 9.7% -- while we lost less jobs than expected, this is still not an acceptable number. Creating jobs will continue to be the top priority of President Obama and the Administration until every American who wants a job can find one.

In an important step towards making that a reality, the House approved a \$15 billion bill to spur job growth. This is an important step towards laying a new foundation for our economy and creating jobs.

## Organizing for America

**You Fight, We'll Fight.** To highlight OFA's "You Fight, We'll Fight" campaign, we placed a full page ad in USA Today. The ad highlights the nearly 9 million hours that OFA supporters have committed to the "You Fight, We'll Fight" pledge bank to volunteer for candidates and Congressional leaders who fight for health insurance reform. The success of the "You Fight, We'll Fight" campaign is just the most recent example of OFA supporters making a strong commitment to fight for health reform. You can see a picture of the ad [here](#).



OFA volunteers throughout the country have been delivering the ads to the offices of their members of Congress, showing them the strong grassroots support for passing health care reform now.

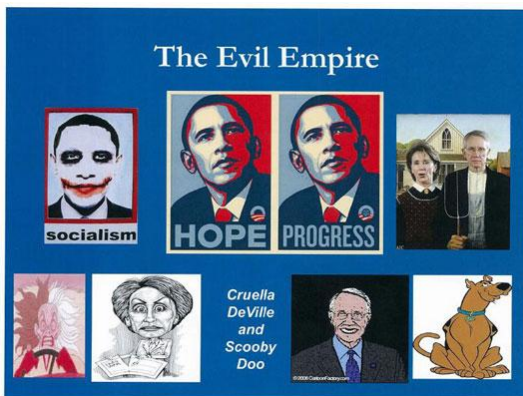
**Taking To The Airwaves.** OFA also recently launched a campaign to take back the airwaves and make sure our voices are being heard in the health care debate. "On the Air" is a new radio call-in tool where you can find the phone number of a local show and get helpful talking points. An [article](#) in Politico highlighted the new program

"The fate of health reform has been a focus of debate in living rooms and offices, on TV and online — and on talk radio. And since millions of folks turn to talk radio as a trusted source of news and opinions, we need to make sure OFA supporters are calling in with a pro-reform message," says the introduction to the online tool.

"The online tool presents users with a radio show discussing political topics, to which supporters can listen live, and the phone number for that station, for when health care comes up. It also offers tips for callers and talking points on the issue."

## Holding Republicans Accountable

**The Politics Of Fear.** News reports revealed this week that the GOP is continuing to run on the politics of fear. The press uncovered a fundraising document from the RNC highlighting their strategy to raise money and try to regain



power by stoking the flames of fear and hatred. Last November, voters rejected these tactics. Americans want to hear real solutions for fixing the economy, creating jobs and reining in health care costs – not more of this fear-mongering. There is no place in our nation's political discourse for the type of fear mongering that the Republican Party is engaging in.

**Obstructionists Tactics.** Republicans continue to prove that there is no line they won't cross in their efforts to stop the President's agenda. Republicans, led by Kentucky Senator Jim Bunning, and with praise from Republicans like Senator John Cornyn of Texas, blocked the Senate from taking action on critical funding for transportation projects, health care and unemployment benefits.

This is a recent and egregious example of Republicans obstructing the work of the Congress at the expense of the American people - but not the only one. Alabama Republican Senator Richard Shelby is holding up critical positions

in our nation's military at a time of war, nearly 30 Republicans attempted to stop consideration of a jobs bill, Republicans across the country fought tooth and nail to block the Recovery Act which has now saved or created over 2 million jobs and kept us from falling into a second Great Depression, and they continue to threaten to use procedural tactics to block health reform.

Their actions caused 2,000 workers from the Department of Labor to be furloughed and put unemployment benefits for thousands of Americans on the line. This didn't go unnoticed by regional press:

**NY: "Empire State hit hardest by Bunning roadblock":** "The Labor Department projects that 54,300 claimants in the empire state will lose their coverage if Congress fails to act on extending jobless benefits by Mar. 13." [\[The Hill, 3/2/10\]](#)

**TN: "Road projects in Tennessee delayed by political spat":** "Three road projects on federal property in Tennessee have been put on hold because a senator has blocked extension of the Highway Trust Fund. Late last week Sen. Jim Bunning, R-Ky., blocked extension of the program, along with unemployment insurance and tax credits for health coverage because he wanted the spending offset with cuts in other areas or additional revenue." [\[Tennessean, 3/2/10\]](#)

**TX: "The cost of Bunning's ploy: 27,400 Texans will lose jobless benefits this week":** "The cost of Kentucky Sen. Jim Bunning's political maneuvering on Capitol Hill became clear this evening when the U.S. Labor Department reported that 27,400 Texans will lose their unemployment benefits this week. Those Texans -- along with about 400,000 other Americans who have been out of work for more than six months -- will lose jobless aid because the Kentucky Republican has single-handedly blocked passage of an extension of unemployment coverage for long-term benefits." [\[Houston Chronicle, 3/1/10\]](#)

**MN: " Stalled Senate could affect thousands of Minnesotans' unemployment benefits":** "The numbers are still rough, but Kentucky senator Jim Bunning's political stand against a 30-day extension of unemployment compensation may affect 8,000 to 9,000 Minnesotans, according to the Minnesota Department of Employment and Economic Development (DEED).": [\[Star Tribune, 3/2/10\]](#)

**SC: "Jobless benefits stopped":** "This means that over 23,000 South Carolinians will immediately lose their benefits, and if this bill is not extended, over the next six months 100,000 South Carolinians will lose their benefits," said House Majority Whip Jim Clyburn, D-S.C." [\[Post and Courier, 3/2/10\]](#)

## **Key Issues in the News and Background**

### **Talking Points: Holding Health Insurance Companies Accountable On Premium Increases**

- While the five largest for-profit Insurance Companies in the country are raking in record profits, families and small businesses continue to face skyrocketing premiums .
- This is exactly why we need to take the power out of the hands of the insurance companies and put it in the hands of American families and small businesses – these rate hikes are simply unsustainable.
- And this is precisely why the President's plan for health insurance reform lays out common-sense rules of the road to hold insurance companies accountable, keep premiums down and rein in their worst practices and abuses like discrimination based on pre-existing conditions.
- The President's plan also includes a proposal to allow the Secretary of Health and Human Services to stop insurance companies from making unreasonable rate hikes on insurance premiums.

- So today at the White House, Health and Human Services Secretary Kathleen Sebelius is meeting with representatives from the insurance industry to ask what we can do to rein in costs and ask why the insurance companies are placing these crushing burdens on middle class families.
- The status quo is not working for the American people – premiums are growing more expensive every day and if we don't act, it will continue to get worse. This discussion is a critical first step to give American families and small businesses the security and stability they deserve.

### **Talking Points: Putting The American People In Control Of Their Own Health Care**

- President Obama's plan shifts power away from insurance companies and puts it in the hands of American families and small business owners – giving them more control over their own health care.
- The President's plan takes the best ideas from both Republicans and Democrats and rejects extremes on both sides, a government run system on the left and free reign for insurance companies on the right.
- This plan gives consumers more protections and greater control over the insurance they have, but it does not take away choice – if you like the plan you have, you can keep it, if you like your doctor, you can keep that doctor.
- This plan will give small business owners and families the same choices and protections that Members of Congress get.
- The plan will give Americans more control over their health care with three key reforms:
  - Reining in insurance companies – ending their worst practices and outlawing discrimination based on pre-existing conditions.
  - Reducing costs for those who already have insurance and making coverage affordable for those who are currently uninsured.
  - Establishing a new competitive insurance marketplace, giving small businesses and families the same buying power that big businesses and unions have and allowing them to shop for the plan that works best for them.
- This plan is based on the best ideas from Democrats and Republicans to give Americans more control over their own health care, not the insurance companies or the government.

### **The Plan - Giving American Families Greater Control Over Their Own Health Care**

- Common-sense rules of the road will eliminate insurance industry abuses and denial of care by holding insurance companies accountable and keeping premiums down .
- The plan will end discrimination based on pre-existing conditions.
- It will establish a new competitive health insurance market – tens of millions of Americans and small business owners will get choices and purchasing power that big businesses, unions and members of Congress get.
- It provides the largest middle class tax cut for health care in history – making coverage more affordable and reducing costs for tens of millions of Americans and businesses who can't afford coverage today
  - This will make coverage affordable for an additional 31 million Americans
- By cutting waste, fraud and abuse, the plan will reduce the deficit by \$100 billion in the next 10 years – stabilizing the economy and the budget.

- It puts our budget and economy on a more stable path by reducing the deficit by \$100 billion over the next ten years by cutting government overspending and reining in waste, fraud and abuse.

### **Talking Points: Health Insurance Reform**

- The health insurance reform plan proposed by President Obama is about giving Americans and small business owners more choices and more control over their own health care by reducing costs, cutting taxes and establishing commonsense rules that keep insurance companies honest.
- The legislation will put control in the hands of families, not insurance companies.
- This will make insurance more affordable by providing the largest tax cut for health care in history – it will reduce premium costs for tens of millions of families and small business and will cover over 31 million Americans who are currently uninsured.
- It will establish a new competitive health insurance market, giving Americans the exact same insurance choices that members of Congress will have.
- It will lay out commonsense rules of the road, keeping the price of premiums down and eliminating abuses and denial of care by holding health insurance companies accountable.
- Insurance companies will no longer be able to discriminate against people with pre-existing conditions.
- There will be no co-pays on preventative care, out-of pocket expenses will be capped, and annual and lifetime limits on coverage will be eliminated.
- But this legislation isn't just critical to the health of Americans, it's also critical to the health of our economy – by reining in waste, fraud and abuse and cutting government overspending, it will reduce the deficit by \$100 billion over the next 10 years.

### **We Can't Afford Not To Act**

- Americans aren't just paying for their own insurance – they're also paying for their uninsured neighbors. 86% of Americans with insurance are paying an extra \$1000 to cover people without insurance. They're paying twice, once for their family and again for Americans without insurance.
- Since this will make insurance more affordable for all Americans, we will ask that everyone who can afford insurance pay their fair share, instead of letting taxpayers pay for the cost of their emergency care.
- However, if you cannot afford insurance, you will not be required to buy it.

### **Bipartisanship**

- The President has been open to Republican ideas throughout the process and has worked to include them in his proposal.
- The President recently met with both Democrats and Republicans in an honest discussion about how to fix our broken health care system. It was a productive meeting and both sides were able to find common ground on issues like medical malpractice and purchasing across state lines.
- The President and Democrats have already included Republican ideas in the plans which have been discussed, and the President, following the bipartisan health care summit, identified additional areas of possible agreement with Republicans in the areas of eliminating waste, fraud and abuse in Medicare and Medicaid, addressing Medicaid reimbursement rates, expanding Health Savings Accounts and funding demonstration projects to reduce medical malpractice lawsuits.

## **Tax Credits**

- This legislation includes the largest middle class tax cuts for health care in American history.
- It includes \$500 billion – half a trillion dollars - in tax credits to American families and small businesses – this is no government program or entitlement.
- It's about giving families and small businesses more choices and greater control over their own health care.
- These tax cuts account for the largest percentage of spending in the legislation.

## **Polling**

- The polling has shown that the overwhelming majority of Americans support the reforms in this legislation.
- Kaiser polls and others have found an overwhelming majority of Americans support:
  - tax credits for small business owners to help cover their employees.
  - setting up insurance markets, which increase buying power for consumers and provide more choices.
  - reform that covers pre-existing conditions without limiting choices.

## **Lowering Premiums**

- Because of skyrocketing premiums, health insurance is becoming increasingly out of reach for middle class Americans.
- According to the non-partisan Congressional Budget Office:
  - Premiums will likely go down for Americans who get insurance through work.
  - Americans who buy their own insurance, and keep the same level of benefits, will see their premiums go down by 14 to 20%.
  - People will also have the option of upgrading to coverage with better benefits. This will result in a higher premium for more robust coverage.
  - But the most critical thing to remember is that anyone who buys insurance in the new marketplaces will be eligible for tax credits that could reduce premiums by as much as 60%.

## **Medicare**

- This legislation will *not* cut Medicare benefits.
- This will in fact strengthen Medicare and increase benefits by finally closing the prescription drug donut hole – a gap in prescription drug coverage for seniors.
- It will also add nine years to the financial health of Medicare.
- It will reduce the cost of Medicare without reducing benefits by ending huge overpayments to private insurance companies.
- These overpayments cost the average couple on Medicare an extra \$90 in premiums every year.

## **Reducing the Deficit**

- According to the CBO, this legislation will reduce the deficit by over \$100 billion in the next 10 years and \$1 trillion in the next twenty years – this would represent the largest deficit reduction in a decade.
- The legislation accomplishes this by eliminating billions of tax dollars being lost to big insurance companies because of waste, fraud and overpayment.
- We simply cannot reduce the deficit without addressing health care – one point that Democrats and Republicans appear to agree on.

## **Reconciliation**

- We have come too far to start over – we cannot afford another year of debate.
- Reconciliation is not an attempt to overthrow the will of the Senate – it is a simple majority vote. Americans understand the concept of a majority vote.
- Critical issues like health reform deserve a simple up or down vote. Members of Congress shouldn't be able to hide behind confusing rules – Americans deserve to know where their representatives stand on this issue.
- Health insurance reform already passed with a filibuster-proof majority of 60 votes in December and the House is expected to pass this Senate bill – what will be reconciled is a small fix to improve the bill.
- Reconciliation is a rule that has been used by Democrats and Republicans, and simply requires that legislation pass with a 51 vote majority.
- Republicans are no stranger to reconciliation – they have used it to pass legislation 16 times since the 1970s—compared to Democrats who have used it just 6 times.
- Virtually all health care initiatives that have passed Congress were passed under reconciliation including some of the government's major and most popular health care initiatives, like the Children's Health Insurance Program and COBRA, which allows Americans who lose their jobs to keep their health insurance.
- President Bush and Congressional Republicans used reconciliation to pass tax cuts for the wealthy at a cost of roughly \$1.8 trillion – the health care fix, that will be passed using the same rules, would cost less than 1/10 as much.
- President Bush and Congressional Republicans also tried to use reconciliation to authorize new oil drilling in Alaska.
- In the 1990's the Republican Congress used reconciliation to pass welfare reform and the Balanced Budget Act of 1995 and 1997.
- Republican Senate Leader Mitch McConnell and 20 other Republican Senators currently serving in Congress voted to pass the Bush tax cuts for the wealthy, at a cost of \$1.8 trillion, using reconciliation.
- The brazen hypocrisy of Republicans, who are now distorting the process of reconciliation for political reasons, is stunning.
- The non-partisan Senate Parliamentarian who served during the 1980s and 1990s recently said that "reconciliation has been used a lot" for "for very large, major bills."
- Republicans are desperately scrambling to paint passing legislation with a simple majority vote as radical, hoping Americans will forget that they themselves used the same rules to pass major legislation.

### **Talking Points: Reducing The Dropout Rate and Preparing Students for College and Careers**

- Today, President Obama joined General Colin Powell at an event hosted by the America's Promise Alliance to announce the Administration's plans to invest in strategies to prepare students for college and careers and to tackle the dropout crisis.
- The plan will invest in schools with graduation rates below 60%, helping them to get back on track.
- The Administration is investing \$3.5 billion to help transform America's low-performing schools. This is in addition to the \$900 million included in the President's FY 2011 budget allocated for School Turnaround Grants.
- In his announcement, the President also talked about the importance of dropout prevention and recovery – to tackle this, the Administration is investing \$100 million in College Pathways, a program to make learning more engaging and relevant and promote a culture of college readiness in high schools. These programs will help students get college credit while earning their high school diplomas.
- We cannot afford to accept or ignore this problem. The stakes for our children, our economy and our country are too high. We must all work together--parents, students, teachers, elected officials and members of the community--to end the dropout crisis in America.

### **Talking Points: The President's Bipartisan Health Care Meeting**

- Yesterday, the President's bipartisan health care meeting offered an honest, open and productive discussion between Democrats and Republicans – not something you see often in Washington. Leaders from both sides of the aisle came together at the Blair House to share their ideas on how to tackle unfair insurance company practices and rising health care costs.
- This was a substantive discussion about how to ensure all Americans have control of their own health care, not campaign theater or a debate about process – it was not something to be scored like an Olympic event.
- President Obama left the meeting, still committed to passing reform that lowers costs for families and small businesses and provides the biggest middle class health care tax cut in history.
- The President's plan for health insurance reform will increase choices and promote competition by creating a new marketplace for insurance that gives everyone the same choices members of Congress will have.
- The plan will keep insurance companies honest with common sense rules that protect consumers and ensure no one is denied coverage because of pre-existing conditions.
- At the meeting, both sides found common ground on critical issues including
  - Eliminating waste and fraud in Medicare and Medicaid
  - Reforming medical malpractice laws
  - Providing more choices in coverage for individuals and the option to pool coverage for small businesses
  - Reforming the insurance market
- There were also some fundamental disagreements. The President believes that we need to protect families and small businesses from unfair insurance company practices and that insurance companies alone cannot have all the power to make decisions about your care.
- This problem is too big to address incrementally. It will cost money to insure 30 million people, but we can't forget that the majority of the money will go towards tax credits to reduce premiums and give Americans a chance to get better coverage.

- There were good ideas and important input at the meeting, but we cannot start over and throw out a year's worth of work. There is too much at stake to have another year-long debate – the millions of Americans struggling across the country simply can't afford. It.