

May 11, 2009

Des Moines Register
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Dear Editor,

As discussed in the May 8th editorial, "Improve private insurance with a public health plan," there is much debate in Washington about the merits of a public plan that would compete with private plans in the health insurance marketplace. While I agree the country must take drastic steps to reform our health care system and lower health care costs, I believe that goal can be better accomplished without creating a government-run health insurance plan. The creation of a public plan would have a devastating effect on the private market and on health care consumers. It would have a very significant negative impact on the economy of the state of Iowa, as we are one of the country's major insurance centers employing thousands of Iowans. Iowa's medical providers would be placed in an extremely difficult position of having limited resources to meet our citizens health needs.

A public plan would not improve the private market; it would do just the opposite. According to a 2009 Lewin Group Study, if the public plan's reimbursement rates are similar to Medicare, an estimated 119 million people will shift from private insurance to the public plan. As it currently stands, the federal government sets artificially low reimbursement rates for doctors and hospitals. Consequently, hospitals and doctors take a major hit when they treat Medicare and Medicaid patients, and those costs are ultimately shifted to private insurers and their consumers. I would predict rural Iowa hospitals and doctors would face even more significant challenges in keeping their doors open. If the public plan is indeed implemented, the private insurance market would likely collapse within years of the public plan's implementation and eventually leave the United States with a single payer system.

The editorial touts the fact that Medicare and Medicaid currently insure some 100 million Americans. While these Americans do have the benefit of health insurance, they often struggle to find primary care physicians and specialists. As noted in the previous paragraph, the government sets unreasonably low reimbursement rates for Medicare and Medicaid and as a result many physicians opt to not treat the patients. A June 2008 report by the Medicare Payment Advisory Commission found that 29 percent of Medicare beneficiaries had problems trying to find a primary care physician to treat them. Medicare beneficiaries have even more trouble trying to find specialists. For example, the New York Times reported on April 6th of this year that of the 93 internists affiliated with New York Presbyterian Hospital, only 37 accept Medicare patients. In Iowa, the state's extremely low Medicaid/Medicare reimbursement rates (some of the lowest in the country), the ongoing nursing shortage, increased liability issues and even limited rural broadband access all create an environment that can make doctor retention difficult. Combine that with Iowa currently being sixth in the nation in the percentage of Medicare participants, and 44th in number of doctors per population, making it tough to lure doctors to the state. Unfortunately, there is a great distinction between health insurance and quality health care, and that distinction is much greater when the government serves as your health insurance carrier. This distinction should not be lost on policymakers as they debate this important issue over the next few months.

When people from around the world are stricken with a serious disease or illness, the United States is their choice destination for care. The United States unquestionably has the best health care facilities and brightest doctors in the world. If we take ourselves down the road of government-run health insurance, American consumers will be left wondering where they can go for the best care.

Sincerely,

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