



JOINT ECONOMIC COMMITTEE
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NEW JOINT ECONOMIC COMMITTEE REPORT HIGHLIGHTS CRITICAL FLAWS OF BUSH HEALTH CARE PROPOSAL

Report Concludes President's New Health Insurance Proposal Would Impose New Tax On Many Middle Class Families – Especially High-Cost Insurance Markets Like New York

Plus, President Calling For Elimination Of Billions Of Federal Dollars For Public Hospitals Without Any Guarantee That Insurance Companies Will Fill In The Gap

Schumer: "The President's Proposal Is All Risk And No Reward – This Is Bad Policy For The Middle Class, Budget-Strapped States And The 47 Million Uninsured Americans"

Washington, D.C. – U.S. Senator Charles E. Schumer (D-NY) today released a new Joint Economic Committee report showing that the new health care proposal from the Bush Administration, which claims to help more Americans afford their own insurance, is instead more likely to weaken the nation's health care system. The Joint Economic Committee report concludes the President's health insurance policy would not help the vast majority of the 47 million uninsured Americans, would not address skyrocketing healthcare costs, would impose a new health tax on middle class families and would add to the budget deficit.

"The President's healthcare proposal is all risk and no reward – this is bad policy for the middle class, budget-strapped states and the 47 million uninsured Americans," said **Sen. Charles E. Schumer** (D-NY), **Chairman** of the **Joint Economic Committee**. "It's hard enough to obtain good health care coverage in this country without penalizing those who have it, but that is exactly what this plan does. The President should work with Congress to craft health care policies that will reduce the number of uninsured and cut health care costs, without asking middle class families to pay more than they already do."

Today's report shows that the Bush health care proposal would fail to meaningfully reduce the number of uninsured Americans while increasing costs for many middle class families. Furthermore, the Administration's policy would undermine the country's most reliable source of health care coverage—the employer-sponsored system—and put more and more people into the individual market where the risks are much greater. Rather than promoting growth of the individual insurance market at the expense of employer-sponsored plans, the administration's first priorities should be structuring reform efforts to help the uninsured acquire health care and reducing overall health care spending. Until we have workable policy solutions that will accomplish these goals, the administration should refrain from introducing more risk into an already too risky system.

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In another piece of his new health care proposal, the President is calling for the elimination of billions of federal dollars to hospitals that care for a high percentage of uninsured patients, without guaranteeing that insurance companies will fill the gap. The President's proposal aims to shift federal dollars from hospitals that are currently caring for the uninsured to states that want to find new ways to decrease the number of uninsured. While not all states may choose to participate, or be successful, in experiments to reduce the uninsured, all hospitals would be subject to the funding cuts.

Link to JEC report: <http://jec.senate.gov/Documents/Reports/bushhealthcareproposal.pdf>

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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