

BERNARD SANDERS  
MEMBER OF CONGRESS  
VERMONT, AT LARGE

509 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4501  
TELEPHONE: 202-225-4115  
FAX: 202-225-6790

191 BANK STREET  
BURLINGTON, VT 05401-3845  
TELEPHONE: 802-862-0697  
TOLL FREE: 800-339-9834  
FAX: 802-860-6370

6/24/91

# Congress of the United States

## House of Representatives

Washington, DC 20515-4501

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HR 2530 -- The Sanders National Health Care Proposal

I am proud to inform you that I recently introduced legislation in the Congress that would establish a Canadian style health care system in this country. My bill, HR 2530, would guarantee health care to every American without out-of-pocket expense. It will mean that, when illness strikes, every American can go to a doctor or enter a hospital without pulling out a wallet or checkbook or reading the fine print on an insurance policy. Let me tell you why I introduced this legislation.

Everywhere I go in Vermont, I hear the same message: **The present health care system is failing.** People tell me this at town meetings and union halls and senior citizen centers. Working people and small businesspeople, people who are ill and the doctors who treat them, all say the same thing. "Bernie, you've got to get the people in Washington to do something about our health care system. It just isn't working."

During the last several months I have held or attended public hearings on health care all around the state: in Newport, St. Albans, Brattleboro, Rutland, Montpelier, Bennington, White River Junction and Middlebury. I have learned that the citizens of Vermont are very knowledgeable about the facts. They know that over eighty million Americans either have no health insurance or are only partially insured. They understand that

despite Medicare, senior citizens often pay a very large part of their limited incomes for prescription drugs and other health care needs. They recognize that Medicaid covers a smaller and smaller percentage of the poor. They even know that the United States ranks only 22nd among industrialized nations in preventing infant mortality. Many are aware of the shocking fact that although this country spends more than any other on health care, Americans don't live as long as the citizens of eleven other nations!

How can it be that we spend so much more per capita than any other nation but still do not have healthier infants or live longer lives than citizens of other countries? How can we spend 40% more than our neighbor Canada and still not receive the universal comprehensive coverage that Canadians get?

The single best answer to these questions is that **we waste over \$100 billion a year** by paying for most health care through private health insurance companies. There are about 1500 companies, and their duplication and reduplication of services in billing and administration, their profit-taking, their waste and inefficiency, costs over \$100 billion more than a single payer, Canadian-style system, according to the latest study by the Physicians for National Health Care. The General Accounting Office of the US Congress, using older data and more conservative assumptions, estimates savings of \$67 billion through a single payer system.

In other words, if we got rid of all the private insurance companies we could provide health care to all Americans, at a

cost **not one penny higher** than we are now paying for health care for only some Americans! The savings in Vermont alone by moving to a single payer system would be \$200 million a year.

What will my bill, HR 2530, do?

\* It will provide increased federal funding for those states which establish a single payor, universal, comprehensive health care system.

\* It will **not** increase the federal bureaucracy. The system will provide all basic health care needs to all Americans without out-of-pocket expenses, but it will be administered by the states, not by Washington. Patients will have full freedom of choice about doctors and hospitals. As in Canada, Physicians' fees will be determined by negotiations between the state and the doctors, and not set by doctors alone. Hospitals will receive their funds based on statewide budget planning.

\* As in Canada, the system will be funded through the general tax base on both the federal and state level. HR 2530 calls for a 7.7% surtax on corporate and personal income taxes at the federal level increasing taxes by 0 to 2% of income. Vermont and every other state would have the freedom to come up with its own tax mechanism--this has worked remarkably successfully in Canada--to replace insurance premiums and out-of-pocket expenses.

I think my plan is a good one.

When I arrived in Washington six months ago the House leadership told me that health care was not a major issue in America. Since then there has been a significant change in that kind of thinking and more and more members of the Congress

realize that, in fact, health care is the most important issue that faces millions of Americans. I am proud that working with other members of Congress we have helped change the climate in Washington. Health care is now very much the subject of serious discussion in Congress. Now, almost everyone recognizes that we are one of only two industrialized nations in the entire world that do not guarantee health care to all people without out-of-pocket expense - and that real health care reform is absolutely imperative.

HR 2530 does what this country should have done long ago: it assures health care to all of our people as a right of citizenship, not as a privilege of wealth.

Will we be successful? It's hard to say. The insurance companies, the pharmaceutical companies, the medical equipment suppliers and certain physicians' groups support the present system because they are making billions of dollars in profit from it. These groups are extremely powerful, and contribute heavily to congressional campaigns. One thing I do know, however. We will not succeed unless tens of millions of Americans stand up and fight for national health care. I believe that the momentum for national health care is growing in this country everyday and if we all work together we'll be successful. I very much look forward to your support for this legislation.

For more information about HR 2530, please contact my office at 191 Bank Street, Burlington, or call us at (802) 862-0697.