

# News Release



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## Blue Cross and Blue Shield of Florida Statement on the Clinton Health Reform Proposal

JACKSONVILLE -- Blue Cross and Blue Shield of Florida (BCBSF) applauds President and Mrs. Clinton for putting the issue of health care reform at the top of the national agenda. We support the intent of the Clinton proposal to assure that high quality, cost-effective health care is accessible to all Americans, and we agree with the Administration's efforts to:

- o increase the incentives for consumers to make informed, cost-effective choices as a way to restrain health care costs;
- o provide universal coverage; and
- o improve the information available to consumers so they can choose the health plan that best fits their needs.

BCBSF continues to strongly support health reform that makes quality health care more affordable for the people of our state through managed care programs. However, we oppose components of the Clinton proposal that could increase government interference in the health care system and suffocate private sector innovation.

Government-controlled health alliances, employer mandates, and price controls would stifle innovation, cost our state thousands of jobs and, most likely, increase health care expenditures. Under the Clinton proposal, the health alliances would be high-risk, big-government regulators that simply would not meet the needs of Florida's diverse population. These proposed alliances would micro-manage health care by enforcing price controls and dictating how health plans serve their customers.

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Florida has chosen a less intrusive approach to health care reform which will require the Community Health Purchasing Alliances (CHPAs) to prove themselves in a competitive marketplace. Unlike the mandatory alliances offered by the Clinton proposal, Florida business is not being forced into CHPAs. Florida's health alliances promote competition by bringing information to consumers and compete for business based on the value and service they bring to the marketplace.

The employer mandate to provide insurance outlined in the Clinton proposal would harm Florida's economy. Businesses with slim profit margins would be forced to cut wages or jobs to pay for the government-mandated health coverage. Many may simply go out of business.

The Clinton proposal would also impose bureaucratic price controls through premium caps and global budgets. Price controls do not work. They would lead to rationing of health services, the erosion of quality care and, probably, to higher prices.

BCBSF is also concerned that the financing of the reform proposal may not have been adequately addressed, and that the savings envisioned by the administration in Medicare and Medicaid programs cannot be achieved without adversely affecting Florida's senior citizens. BCBSF believes further attention must be given to the financing of the reform proposal, particularly at a time when recent national budget legislation has increased public support for reducing the federal deficit in the face of an uncertain economy.

We look forward to working closely with the federal government and the Florida delegation as national reform is legislated in Washington. BCBSF will continue working with the state of Florida to successfully implement the more practical reforms advanced by Governor Chiles and the state legislature. As the state's leading managed care company, BCBSF continues to strongly support reform that makes quality health care more affordable for the people of our state through managed care programs.

BCBSF is a strong and growing mutual insurance company. The company pays state and federal taxes and assessments, and is subject to the same regulation by the Department of Insurance as other insurers operating in Florida. BCBSF is a member of the Blue Cross and Blue Shield Association, an association of 69 independent Blue Cross and Blue Shield companies nationwide.

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