



NEWS FROM
CONGRESS

FOR RELEASE: JANUARY 4, 2009 CONTACT: RICHARD McGRATH/ERIN BZYMEK 202.225.4671

PALLONE EXTOLS HEALTH REFORM BENEFITS FOR NJ

TRENTON, N.J. . - CONGRESSMAN FRANK PALLONE, JR. WENT TO TRENTON ON MONDAY TO TESTIFY ON THE BENEFITS TO NEW JERSEY OF THE HEALTH REFORMS ABOUT TO BE APPROVED BY CONGRESS. CONGRESSMAN PALLONE WAS ONE OF THE CHIEF WRITERS OF THE REFORM BILL IN THE HOUSE AND IS WORKING WITH OTHERS TO MELD THAT PLAN WITH THE SENATE BILL.

THE REFORMS ARE THE MOST SIGNIFICANT CHANGES IN THE NATION'S HEALTH CARE SYSTEM IN DECADES, A GOAL THAT HAS REPEATEDLY ELUDED CONGRESSES AND PRESIDENTS OF THE PAST. THE REFORMS WILL EXTEND COVERAGE TO AS MANY AS 36 MILLION MORE AMERICANS, RESULTING IN A 96 PERCENT COVERAGE IN THE COUNTRY.

CONGRESSMAN PALLONE IS THE CHAIRMAN OF THE HOUSE ENERGY AND COMMERCE HEALTH SUBCOMMITTEE. HE SPOKE TO THE NEW JERSEY SENATE'S HEALTH, HUMAN SERVICES AND SENIOR SERVICES COMMITTEE.

"THE MAIN GOALS OF THE HEALTH INSURANCE REFORMS ARE TO EXPAND AND SECURE COVERAGE FOR QUALITY MEDICAL CARE," PALLONE SAID. "THE UPWARD SPIRAL OF HEALTH CARE EXPENSES IS PUTTING CARE OUT OF REACH FOR TOO MANY PEOPLE AND, DURING THIS HARSH RECESSION, IS PUTTING PEOPLE INTO BANKRUPTCY."

PALLONE SAID MANY OF THE REFORMS ARE BASED ON SIMILAR IDEAS ALREADY WORKING IN NEW JERSEY. THE BENEFITS OF THOSE IDEAS AND OTHERS WILL HELP REDUCE THE WASTEFUL AND INEFFICIENT SPENDING THAT PERMEATES MOST AREAS OF THE HEALTH CARE SYSTEM.

INSURERS WILL COVER MORE PREVENTIVE CARE AND WILL BE PROHIBITED FROM DENYING COVERAGE DUE TO PRE-EXISTING CONDITIONS AND WILL NO LONGER BE ALLOWED TO CAP MEDICALS COSTS WHEN THEY REACH A LIMIT DECIDED BY INSURANCE COMPANIES. NEW JERSEY HAS ALREADY INSTITUTED MANY OF THESE REFORMS.

THE CHANGES TO THE MEDICAID SYSTEM UNDER THE REFORMS WILL BE ESPECIALLY HELPFUL TO NEW JERSEY, PALLONE SAID, REFERRING TO LARGER SUBSIDIES, BROADER COVERAGE AND HIGHER REIMBURSEMENTS. SOME OF THESE WERE OUTLINE IN TODAY'S NEWS STORY - [HTTP://TINY.CC/J2QTX](http://tiny.cc/j2qtx)

THE REFORMS WILL ALSO FOSTER COMPETITION AMONG INSURANCE COMPANIES. RIGHT NOW IN NEW JERSEY TWO INSURANCE FIRMS HOLD THE MAJORITY OF HEALTH CARE POLICIES.

THE CHANGES TO THE HEALTH CARE SYSTEM HAVE MULTIPLE ECONOMIC BENEFITS, PALLONE NOTED. THE REFORMS WILL REDUCE THE DEFICIT LONG TERM, PRODUCE QUALITY JOBS AND SPUR PRODUCTIVE ECONOMIC ACTIVITY. AS THE HOME FOR THE TOP PHARMACEUTICAL COMPANIES, MANY WORLD-CLASS HOSPITALS AND BIO-TECH FIRMS, NEW JERSEY IS POSITIONED TO GAIN FROM THESE ECONOMIC BENEFITS.

The benefits to New Jersey include these estimates:

- 1.5 million residents who do not currently have insurance and 326,000 residents who have nongroup insurance could get affordable coverage through the health insurance exchange.
- 854,000 residents could qualify for premium tax credits to help them purchase health coverage.
- 1.3 million seniors would receive free preventive services.
- 227,000 seniors would have their brand-name drug costs in the Medicare Part D “doughnut hole” halved.
- 107,000 small businesses could be helped by a small business tax credit to make premiums more affordable.

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