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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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NEW JEC STUDY SHOWS SHORTCOMINGS IN SENATOR KERRY'S HEALTH PLAN

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WASHINGTON, D.C. – Senator John Kerry's health plan would significantly increase the government's role in financing and managing health care, according to a new Joint Economic Committee study released today by Vice Chairman Jim Saxton. The new study, *An Analysis of Senator Kerry's Health Plan*, evaluates the likely impact of the proposed health plan.

"Senator Kerry's health proposal would expand the reach of the federal government in health care," said Saxton. "While the Senator is to be commended for discussing an important issue, his health plan's reliance on large spending increases and on the use of government-run programs to achieve its goals is troubling."

The study notes that two separate, independent analyses estimate that gross new spending in the Kerry health plan totals \$1.6 trillion over ten years. Cost savings, in contrast, are estimated to be less than one-quarter that size. Net costs for the plan, according to these two studies, total between \$1.2 trillion and \$1.5 trillion over 2006-2015.

The JEC study further finds that by expanding the number of people who directly depend on the government for health coverage, the Kerry health plan would move the U.S. closer to a single-payer, government-financed health care system. The increase in public health insurance has the negative side effect of crowding out private sector coverage.

"Increasing the number of Americans with health insurance is a laudable goal. However, we can do better than simply increasing the number of people in government-run programs," Saxton concluded.

The Kerry health plan would entail many government mandates and regulations, adding to the administrative burdens of the current system. The new JEC study also faults the Kerry health plan for paying only nominal attention to medical liability reform and for failing to address the third-party system of health care financing, two key causes of the escalating cost of health insurance.

For a copy of the study, please our website at www.house.gov/jec.

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