What Health Care Reform Means

In March, President Obama signed health care reform into law. The final bill, though imperfect, was a critical first step toward addressing soaring health care costs, and includes many of the provisions we fought for.

For one, the new law promotes research into which treatments and drugs work best so that we don’t waste money on ineffective care.

It also cracks down on waste, fraud and abuse in Medicare and will expand cost-saving policies pioneered by the Mayo Clinic and others.

In addition, it prohibits insurers from denying or dropping care for pre-existing conditions, allows children to stay on their parents’ insurance plan up to age 26, and requires states to create exchanges to help small businesses and individuals purchase health care plans.

States Decide On The Details

While the law sets the framework for these policies, key state-level decisions on how to implement the details will determine whether reform delivers on its promises. Each state will set up its own exchange. And, each will have the opportunity to expand the cost-saving programs set out in the federal bill by helping doctors better coordinate patient care and using state health programs to reward providers who deliver effective, high-value care.

For years, the federal government funded two student loan programs: One through which borrowers received loans directly from the government at a low cost and another that subsidized banks to make federally-backed loans, to the tune of $6 billion yearly.

Then on March 30, along with health care reform, President Obama signed a NHPIRG-backed law ending the bank subsidy program and cutting $60 billion in giveaways over ten years. Now, all lending will occur through the less expensive program, which will benefit students and taxpayers instead of financial institutions like Sallie Mae and Citibank.

Ending Subsidies To Big Banks, Benefiting Students

“Today, Congress voted to make historic investments into financial aid by ending sweetheart deals for big banks and lenders,” said Higher Education Associate Rich Williams. “This is a game-changing bill that banishes banks from the federal student loan program while aiding students mired in education debt.”

The number of graduates with more than $40,000 in loans has increased tenfold in the last decade, and the savings from the law will infuse the cash-strapped Pell Grant program with $36 billion, benefiting 8 million students.
Public Transportation

When Is Transportation Freedom Day?

Americans spend more on transportation than any expense besides housing—more than on clothes, food or health care. It would take until mid-March for the average American to earn enough money to cover transportation costs for a year.

That’s the idea behind Transportation Freedom Days, events that state PIRGs have held with public officials nationwide, getting media attention on the fact that public transit is a pocketbook issue.

Detailed block-by-block census surveys show that people spend less on transportation in neighborhoods with good access to rail and public buses—in some communities, Transportation Freedom Day came as early as Feb. 22. Others had to wait until April.

“This shows the need for greater investments in more efficient ways to get around,” said Transportation Advocate John Krieger. “When government makes the right kind of transportation investments, citizens save a lot of money.”

Closing Tax Loopholes

April 15 Isn’t Tax Day For Corporate Tax Dodgers

On April 15, Americans paid their taxes, including an extra $500 each to cover corporate tax dodgers.

This year, NHPIRG reiterated our message to Congress: The unfair practice of shifting the tax burden from corporate tax dodgers to the rest of us is unacceptable.

According to our report, “Tax Shell Game: What Do Tax Dodgers Cost You?” more than 80 percent of American corporations hide their money in offshore tax havens, costing the taxpayers $100 billion every year.

Congress is considering legislation that will make it clear: If you are based in this country, then you receive the benefits of being in this country, and you should pay taxes in this country.

PIRG members nationwide signed the Tax Day Declaration supporting the legislation.

Money In Politics

The Supreme Court Ruled Against Us

In a recent decision, the Supreme Court swept away 60 years of federal restrictions that banned corporations from using their funds to support or oppose candidates for federal office.

NHPIRG immediately began working to build support for a package of legislation to limit the damage. Citizens have a right to ensure that money they invest doesn’t support politicians they would oppose. We’re working to make corporations accountable to their shareholders by requiring that they approve any political spending. We’re also working to expand disclosure and ban political spending by corporations with foreign subsidiaries and corporations that receive federal contracts.

The ban on federal contractors alone would immediately disqualify 87 of the Fortune 100 companies from “investing” in political campaigns.

Tax & Budget Policy

How To Cut $1 Trillion Off The Debt

With the debt and deficit draining our system, a new NHPIRG report, “The First Trillion,” took a look at ways that President Obama’s National Commission on Fiscal Responsibility and Reform can begin to get our nation’s books in order.

We scoured budget proposals, legislation and a wide range of government reports to determine how the first trillion dollars could be saved.

We could do it by, among other things, requiring government contractors to pay back taxes, closing tax loopholes for hedge fund managers and multinational corporations, and ending subsidies to highly profitable industries such as oil and gas.

PIRG members nationwide signed the Tax Day Declaration supporting the legislation.

Member Action

To help minimize the influence of corporate money on politics, visit: www.nhpirg.org/action

MARCH 25, 2010 — The average American had earned enough money to pay off his or her transportation costs for the year by March 25, 2010. In some communities, Transportation Freedom Day came as early as Feb. 22. Others had to wait until April.
Public Support Advances Wall Street Reform

Consumer Program Director Ed Mierzwinski quipped earlier this year that it seems as though the only people not out of work in this economy were the bank lobbyists. Thankfully, Wall Street reform legislation advanced in spite of their opposition.

NHPIRG has been working since the economy collapsed in 2008 to make sure that Congress sends the president a bill that creates a strong, independent Consumer Financial Protection Agency, guarantees that banks and other financial firms can never hold taxpayers hostage for bailouts again, and brings all trading, including the $450 trillion derivatives markets, out from behind closed doors and into the open.

Nobel prize-winning economists and our own experts have argued that the triad of deceptive consumer practices, unknown levels of excessive risk, and an assumed federal financial backstop allowed—and in fact encouraged—Wall Street to gamble with amounts capable of crashing the economy and contributing to the loss of 8 million jobs.

According to the coalition that NHPIRG’s federation co-founded—Americans for Financial Reform—Wall Street lobbyists have spent $1.4 million per day since the beginning of the 2009-2010 Congress. That’s more than $1 million spent for every senator and representative.

Main Street Vs. Wall Street

We pitted grassroots organizing and public pressure against the industry’s lobbyists. In February, the state PIRGs went to Washington, D.C., and held more than 200 meetings with legislators on Capitol Hill. In April, we sat down with key senators when they were back home and held roundtable discussions with small business owners, senior citizens and others impacted by Wall Street’s excesses.

Throughout this fight, NHPIRG and U.S. PIRG—the federation of state PIRGs—worked with state attorneys general to ensure that they have authority to be local watchdogs and rein in the deceptive practices of big banks.

Our phone banks, letters, e-mail activists, public events and outreach have kept the pressure on wavering members of Congress to side with Main Street over Wall Street.

With public opinion strongly on our side—recent polls show 70 percent of voters believe that America’s financial system needs major reform—there is rising optimism among reform advocates that we can overcome the influence of powerful opponents.

“In my more than 20 years in Washington, I have never seen the coalition of consumer advocates push for so sweeping a reform of the financial sector as we are seeing this year,” said Mierzwinski. “If we are successful, this will be a huge win for consumers, taxpayers, shareholders and the larger economy.”

Dear NHPIRG member,

Health care reform is not going to do all of the things that its opponents have feared or its supporters hoped for. While there are no death panels, neither are there all of the cost control policies that we so desperately need.

However, on balance, the new law is a significant step toward reorienting the system to reward patient wellness over the number of treatments. Without these changes, we will continue to see costs skyrocket, and we won’t necessarily get better care.

But so much of the new law’s success now depends on decisions that will be made by state governments. Thus, we are urging decision-makers in Concord to take the next steps.

Specifically, we want to see the state of New Hampshire embrace—and then work to implement—cost-saving pilot programs, based on successes at the Mayo Clinic and elsewhere. Moreover, the state must create the new insurance marketplace—the so-called insurance exchange—to ensure that consumers have access to it and get a fair deal.

With your continued support, we’ll watch to make sure the state implements health reform the right way. And without missing a beat, we’ll keep pushing for new reforms, like reining in Wall Street and pushing for safer, healthier school lunches (page 4).

Sincerely,
Steve Blackledge for NHPIRG
SteveB@nhpirg.org
Food Safety

Safe Food, Healthy Kids

When we heard that a lot of the meat served in school lunches doesn’t even meet fast food industry standards for safety, we knew we had to act. Children are already exposed to way too many dangers as it is—school lunches shouldn’t be part of the problem. Kids are the victims of more than half of all reported foodborne illnesses.

The New York Times and USA Today, along with other news outlets, have recently exposed the shortcuts that the meat industry is taking on food testing and safety. These shortcuts led to a recall of more than 5.8 million pounds of beef this winter, when E. coli was found in the beef. And inadequate tracking systems meant that some schools unknowingly purchased and served meals made with recalled beef.

This summer, NHPIRG is pushing the USDA to quickly adopt forthcoming recommendations from the National Academy of Sciences to improve meat safety standards. Additionally, we need to give local school districts better tools and information to avoid food companies with a history of safety violations.

Finally, we’re advocating for food safety amendments to the Child Nutrition Act in Congress this year.