

## Remarks by Gary Kalman, Federal Legislative Office Director, U.S. PIRG

Senate Press Conference - 1:30 PM October 28, 2009

I am Gary Kalman, Director of U.S. PIRG's Washington Office. U.S. PIRG is a nonprofit, nonpartisan public interest organization and the federation of state PIRGs operating in more than 30 states.

I want to thank Senators Schumer, Whitehouse and Brown, Majority Leader Reid and the whole leadership team for inviting us today and fighting so hard for health reform this year.

For seventy years, consumer advocates and many others have tried to enact broad health reform, yet every attempt has been blocked by insurers, pharmaceutical companies and other private interests. There is no worse example of private interests, and their lobbyists in Washington, blocking progress for the rest of America.

Congress must act.

Congress must act for people like Abby Berendt, a U.S. PIRG member in her twenties who after graduating college took her dream job in New York City. The job did not come with health insurance. Unable to afford it on her entry level salary, she gambled. The illness that followed would have bankrupted her if not for her parent's willingness to take out a second mortgage on their home.

For Americans like Abby the consequences of inaction are staggering: family coverage that grows increasingly out of reach, a federal budget overwhelmed by health care costs and hundreds and thousands of jobs lost due to decreased business competitiveness.

By taming health care costs, American's can avoid disastrous fiscal consequences. Consider that today 50% of consumer bankruptcies are due in part to health care bills.

A bloated and inefficient insurance industry has gouged consumers, American families and businesses for too long and we have had no recourse.

Health insurance premiums have doubled over the past 10 years. They're set to double again over the next eight. The result is that families across America are struggling to pay their health care bills, and it's costing our entire economy. One study by Dr. Gruber of MIT estimates that, without reform, health care cost will kill 178,000 small business jobs in the year 2018 alone.

One of the most effective ways to rein in costs is to introduce choice and competition into the insurance marketplace. The public option offers a critically important pathway to more affordable care.

If Congress passes reform with a public option and I believe they will, insurers will finally have to compete for each and every one of our health care dollars.

That is why America needs health care reform and a public option is a smart, effective way to lessen the burden of rising health care costs on families, small businesses, and the entire economy.

Thank you.