Emailed and sent by regular mail on Dec. 31, 2020

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Congresswoman Pramila Jayapal

U. S. House of Representatives

2346 Rayburn House Office Building
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December 31, 2020

Dear Representative Jayapal,

We are deeply concerned that HR 1384, the bill that succeeded Rep. John Conyers' HR 676, dropped some of the key principles that were in Conyers' model single payer bill. Now is the time in the congressional calendar before bills are re-introduced when we can make necessary changes in the proposed legislation.

We believe that it is essential to have a model single payer bill introduced into Congress, a bill based on all the principles included in the Physicians for a National Health Program proposal.

We had that with HR 676, sponsored by Congressman John Conyers from 2003 to 2018. That made it possible for the popular movement to use the bill for education. It was during that time that we worked on union endorsements of HR 676, winning the support of 44 state AFL-CIO federations, 158 central labor councils, and a total of 637 union organizations.

Each of those endorsements put an organization on record for the full PNHP plan with the for-profit facilities converted. In 2019 when Conyers was gone from the Congress and you introduced HR 1384, we lost the model single payer legislation.

There is no reason for any compromises to be made at this point. We need model legislation that sets the stage for the struggle that is to come.

If a principle is not placed on the table at the beginning of the bargaining, it is conceded. Unionists know that the outcome does not improve in the negotiations. The effort for the integrity of the single payer model in actual legislative form needs to be made.

Here are the changes we respectfully ask you to make to HR 1384 prior to reintroduction in the new congress:

1. Remove the profits.

Removing the for-profit institutions with a plan of conversion is an important part of the PNHP proposal. It is now gone from HR 1384, therefore conceding that especially important principle of removing the profits that harm patients as they cost us more.

We propose that you put that principle, the HR 676 removal of the investor-owned facilities1, into your bill. The current language in HR 1384 allows the for-profit hospitals to remain in the system, but the funds cannot be used for profit2. It may sound good, but it will not work. Unless the hospitals are converted and kept for health care use, the investor owners will convert them to the highest profit-making concern, leaving us with holes instead of hospitals. Just look at what happened with Hahnemann in Philadelphia where the for-profit corporation closed a vital inner-city hospital to make greater money on condos.

Furthermore, under the current HR 1384, for-profit hospitals that prefer to stay in the health care business will simply sue under constitutional takings law that guarantees compensation to property owners for regulations that hurt their ability to profit from their property. We will have the worst of all possible outcomes, losing capacity from owners who want to sell elsewhere and having to pay all those corporate owners who stay in the health care system.

We know from the work of PNHP experts Woolhandler and Himmelstein that the conversion of the for-profit facilities at a relatively small cost within the overall picture is feasible and the right thing to do.3

We ask you to insert the Conyers' bill section on the conversion of the for-profits into the single payer legislation that you introduce into the new congress.

2. Medicare Buy-In

Secondly, the transition period with the buy-in to Medicare in HR 1384 is harmful. It promotes the false assumption that we must move gradually, that we cannot go directly to a national single payer system. The buy-in also endangers the bill by adding complex administrative steps that will greatly raise costs while not recovering the savings of single payer. The buy-in will disrupt community unity because different people are covered in different ways and pay in unfair ways.

The buy-in transition period endangers the success of the plan and should be removed.

3. Two years of guaranteed annual wages for displaced workers

And third, the two years of salary in the Conyers bill for displaced workers4 was concrete and therefore particularly useful in winning the support of insurance workers. Here in Louisville, we reached out to Humana workers with this and won many hearts and minds even in that cold marble headquarters. The less specific language in HR 1384 does not give that concrete guarantee and makes it much harder to persuade such workers that their needs will be met. The two years of guaranteed compensation from HR 676 needs to go into the new improved Medicare for All bill.

I would very much appreciate a response on each of these issues.

Sincerely yours,

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1. Conversion of for-profit providers from Conyers' HR 676

> SEC. 103. Qualification of participating providers.
> (a) Requirement To be public or non-Profit.—
> (1) IN GENERAL.—No institution may be a participating provider unless it is a public or not-for-profit institution. Private physicians, private clinics, and private health care providers shall continue to operate as private entities, but are prohibited from being investor owned.
> (2) CONVERSION OF INVESTOR-OWNED PROVIDERS.—For-profit providers of care opting to participate shall be required to convert to not-for-profit status.
> (3) PRIVATE DELIVERY OF CARE REQUIREMENT.—For-profit providers of care that convert to non-profit status shall remain privately owned and operated entities.
> (4) COMPENSATION FOR CONVERSION.—The owners of such for-profit providers shall be compensated for reasonable financial losses incurred as a result of the conversion from for-profit to non-profit status.
> (5) FUNDING.—There are authorized to be appropriated from the Treasury such sums as are necessary to compensate investor-owned providers as provided for under paragraph (3).
> (6) REQUIREMENTS.—The payments to owners of converting for-profit providers shall occur during a 15-year period, through the sale of U.S. Treasury Bonds. Payment for conversions under paragraph (3) shall not be made for loss of business profits.
> (7) MECHANISM FOR CONVERSION PROCESS.—The Secretary shall promulgate a rule to provide a mechanism to further the timely, efficient, and feasible conversion of for-profit providers of care.

2. HR 1384 by Jayapal tries to forbid profit but does not convert the for-profit facilities,

instead allowing any facility licensed by the state to participate

> SEC. 614. Payment prohibitions; capital expenditures; special projects.
> (a) Sense of Congress.—It is the sense of Congress that tens of millions of people in the United States do not receive healthcare services while billions of dollars that could be spent on providing health care are diverted to profit. There is a moral imperative to correct the massive deficiencies in our current health system and to eliminate profit from the provision of health care.
> (b) Prohibitions.—Payments to providers under this Act may not take into account, include any process for the provision of funding for, or be used by a provider for—
> (1) marketing of the provider;
> (2) the profit or net revenue of the provider, or increasing the profit or net revenue of the provider;

3. **https://www.healthaffairs.org/do/10.1377/hblog20181116.732860/full/**

4. **Section 303 from HR 676, 2 years of salary replacement for displaced workers**

> SEC. 303. Regional and State administration; employment of displaced clerical workers.
> (e) First priority in retraining and job placement; 2 years of salary parity benefits.—The Program shall provide that clerical, administrative, and billing personnel in insurance companies, doctors offices, hospitals, nursing facilities, and other facilities whose jobs are eliminated due to reduced administration—
> (1) should have first priority in retraining and job placement in the new system; and
> (2) shall be eligible to receive two years of Medicare For All employment transition benefits with each year's benefit equal to salary earned during the last 12 months of employment, but shall not exceed $100,000 per year.