



American  
Public Health  
Association

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*Protect, Prevent, Live Well*

August 28, 2009

President Barack Obama  
The White House  
1600 Pennsylvania Ave.  
Washington, DC

Dear Mr. President:

On behalf of the American Public Health Association (APHA), the oldest and most diverse organization of public health professionals and advocates in the world dedicated to promoting and protecting the health of the public and our communities, I write to encourage you to continue to support a public insurance option as part of the health reform effort being debated in Congress.

Earlier this year, APHA released its 2009 Agenda for Health Reform which outlines the association's top priorities for health reform legislation, including providing access to affordable and high-quality health care for all.

We are concerned about conflicting reports from both within your Administration and the media that you would be willing to sacrifice the benefits of a public insurance option—a method that would provide affordable and high-quality health care for all and is a constructive component to covering the 47 million uninsured in our nation—for the sake of reaching a compromise.

While health insurance cooperatives, or 'co-ops' have been offered as an alternative to a 'public option,' what little evidence exists for co-op outcomes demonstrates that they may not provide lower-cost health care options. In fact, a 2000 GAO report concluded that the co-ops' potential to reduce overall premiums is limited because they "lack

sufficient leverage as a result of their limited market share” and “have not been able to produce administrative cost savings for insurers.”<sup>1</sup>

Additionally, co-ops would face the following challenges compared to a public-option:

- Co-ops would face greater start-up difficulties;
- Co-ops would face more hurdles than existing large commercial insurers in obtaining discounted rates from doctors and hospitals; and
- Co-ops may not be able to enroll enough people to negotiate favorable rates with providers.

In a letter to Senator Kennedy and Senator Baucus earlier this summer, you said; "I strongly believe that Americans should have the choice of a public health insurance option operating alongside private plans. This will give them a better range of choices, make the health care market more competitive and keep insurance companies honest."<sup>2</sup>

APHA believes that Americans deserve the choice and affordable access to health care that a public insurance option can provide and we ask that you continue to support a public option to allow for real reform of America’s health system and to truly achieve universal coverage.

Sincerely,



Georges C. Benjamin, MD, FACP, FACEP (E)  
Executive Director

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<sup>1</sup> U.S. Government Accountability Office, (March 31, 2000) Private Health Insurance: Cooperatives Offer Small Employers Plan Choice and Market Prices.

<sup>2</sup> Office of the Press Secretary, (June 3, 2009) Text of a Letter From the President to Senator Edward M. Kennedy and Senator Max Baucus.