

February 7, 2007

Statement of  
Charles Kolb, President, Committee for Economic Development

On behalf of the Committee for Economic Development, let me say how honored we are to be a member of this coalition. CED is a business-led think tank with more than 200 Trustees who are senior business leaders and university presidents. Since 1942, our mission has been to bring the voice of business to bear on critical public policy issues that affect economic growth and development – both here and abroad.

After almost 25 years of working on public policy issues, one of the most important lessons I've learned is the critical value of "strange bedfellow" coalitions. When individuals and groups who have often been at odds with each other decide to come together – to find areas of common ground – that's when the politics become interesting and there's a real opportunity to make significant progress on major issues.

I've seen this happen in education policy, on matters pertaining to the federal budget, on campaign finance reform – and now it has to happen in health care. Today is an excellent beginning.

Five years ago, CED released a policy statement recommending ways to strengthen our faltering employer-sponsored health care system. Our recommendations included policies for both the private sector and government. Nothing happened – well, that's not entirely true: health care spending continued to rise as a percentage of gross domestic product, the number of uninsured Americans grew, and more employers either dropped health insurance altogether or continued to shift costs to their employees.

Today, we are convinced that the current structure of the employer-sponsored system is not sustainable – especially given the competitive pressures many companies face from around the world. If you speak with senior human resources executives all over our country, what you'll hear is that health care is the number one issue they worry about.

For the past year, CED has been conducting a project on health care. So far we have prepared two reports. The first presents a diagnosis of what's wrong with the existing system. The second explains why the most frequently discussed alternatives would not work and describes a set of principles for a new, market-oriented, incentive-based approach. By early summer, we will have produced the final installment – a more detailed description of what that new structure will look like and how we might transition to a new approach.

We have no illusions, however, that either CED's efforts -- or our joint efforts, for that matter – will be easy. Right now, our health care system accounts for some 16 percent of our gross domestic product – so changing activities that impact so greatly on our economy will be hard work.

What we do know is that change must come – sooner, not later. We hope that this coalition will attract additional members who are committed to its principles and who are willing to work together in order to create a health care system that benefits all Americans.