This Week in Health Reform: July 30

After weeks of logjam on Capitol Hill, lawmakers in both the House and the Senate have reported progress in their respective negotiations this week, clearing way for a possible vote on sweeping health care reform legislation after the August recess.

Public Plan:

House Democrats Reach Compromise: After weeks of infighting, House Democrats on the Energy and Commerce Committee came to an agreement on Wednesday that would shave $100 billion off the House bill's original price tag of at least $1 trillion. The Energy and Commerce Committee resumed marking up the legislation Thursday, but the full House will not vote until after the August recess.

Congressional Budget Office (CBO) on House Plan: The CBO helped the House Democrats' case for a public option when it reported that under the proposed legislation most people would still choose employer-based coverage rather than a government-run option. The CBO stated that, given the individual mandate, more employees would sign up for coverage through their employers. However, the latest analysis also stated that the proposal would still increase budget deficits.

***Senate May Choose Co-Op Over Public Option*:** Senate Finance Committee negotiators indicated that they were close to reaching a bipartisan deal that would include a co-op modeled public plan. The proposal being discussed would include a tax on insurers and would use non-profit cooperatives to compete with private insurers. The proposal would also not include an employer mandate.

Alternative Plans:

House Republicans Unveil $700B Plan: On Wednesday, House Republicans unveiled a $700 billion health care plan that would offer tax deductions and credits to assist individuals in purchasing insurance, as well as take on medical malpractice. According to House Republicans, the proposed plan would be fully paid for, but CBO has yet to officially assess the cost of the legislation.

Financing the Plan:

New CBO Score on Senate Bill: The Senate Finance Committee got a boost when the CBO estimated the latest version of the Committee's health reform bill would cost less than $900 billion. The bill would cover 95 percent of Americans by 2015 and would be fully paid for in the first 10 years, according to Finance Chairman Max Baucus (D-MT).

Tax on "Cadillac Plans" Gains Momentum: The Senate Finance Committee's option to tax insurers on high value "Cadillac plans" has attracted support in the Senate, and it seems senior House Democrats are warming to the financing proposal. A spokesperson for America's Health

Insurance Plans voiced opposition to the plan and many assert that a tax on insurers will ultimately be passed down to consumers.

CBO Rates Independent Panel: CBO reported this week that the proposed independent panel to oversee payments by Medicare would result in just $2 billion in savings over 10 years.

Additional Activities:

AARP *Voices Concern:* President Obama held a town hall style meeting at the American Association for Retired People's (AARP) Washington headquarters this past week to address growing concerns among seniors about health reform and subsequent benefits cuts. AARP has had to walk a careful line in endorsing the House bill and earlier this week expressed disappointment in the lack of progress in the Senate, saying that Senators have "failed to act." Polls show that senior citizens are more skeptical about health-care reform than any other age group.

Looking Ahead:

House lawmakers plan to conclude work on Friday and break for a month-long recess returning to their districts to further discuss health reform efforts. The Senate will recess on the 7th of August.