

This Week in Health Reform: October 8, 2009

This week legislators from the Senate Finance Committee waited for the Congressional Budget Office to provide a cost estimate for the revised health care reform bill before bringing the legislation to a Committee vote, noticed for next week.

Senate Negotiations:

Congressional Budget Office (CBO) Provides Revised Cost Estimate: On [Wednesday](#), the CBO estimated that the revised Senate Finance Committee bill would cost \$829 billion over the next 10 years and would reduce the budget deficit by \$81 billion over the same time period. The [CBO](#) also projected that the health reform legislation would expand health care coverage to 94 percent of Americans by 2019. This estimate provides a significant political boost to the Finance Committee bill as it is the only proposed health care reform legislation that meets President Obama's guidelines, including costing less than \$900 billion over 10 years, vastly expanding coverage, and not adding to the budget deficit. However, the estimate did not provide information regarding the impact of the legislation on premiums.

Senate Finance Committee Finalizes Bill: Last Friday the Senate Finance Committee wrapped up days of negotiations, having voted on 564 amendments, and [finalized its bill](#) to overhaul the U.S. health care system. In the last days of Committee negotiations, lawmakers voted to:

- [Reduce](#) the impact of the penalties on people who do not obtain insurance;
- Modify the proposed tax on high-cost insurance policies;
- Prevent health insurance companies from taking tax deductions for compensation in excess of \$500,000; and
- Create a state-option government plan operated by private insurers.

The Committee originally planned to vote on the bill this week. However, the vote was [delayed](#) to give the Congressional Budget Office (CBO) time to assess the cost of the revised package and for the Committee to review the legislation before the vote.

[Sen. Baucus](#) (D-MT) has indicated he has the necessary votes to bring his bill across the Committee finish line. Yet, it is still unclear whether or not he will achieve [bipartisan support](#) of the bill. In addition, at least two [Democrats](#), Sens. Wyden (D-OR) and Rockefeller IV (D-WV) have refused to yet give their support to the bill in its current form.

Joint Committee on Taxation Reports Increase in Industry Fees: On Tuesday [The Joint Committee on Taxation](#) indicated that the revised bill coming out of the Senate Finance Committee would raise \$121 billion from fees on drug companies, health insurers and medical device manufacturers, up from the original \$92 billion previously reported. The increase in tax revenue stems from restrictions prohibiting companies from deducting the proposed industry fees from their corporate taxes. The new estimate has fueled increased Republican opposition to the reform legislation.

Senators Call for 72-Hour Window for Public Review: On Tuesday, a group of six moderate Democratic Senators and one Independent Senator sent a [letter](#) to Senate Majority Leader Harry

Reid (D-NV). The letter called for a 72-hour period for public review of the upcoming combined Senate health care reform legislation, along with the complete budget score from the CBO, prior to a full Senate vote.

House Activities:

House Democrats Reject Taxing ‘Cadillac’ Plans: One hundred and fifty four House Democrats signed a [letter](#) addressed to Speaker of the House Nancy Pelosi (D-CA) on Wednesday denouncing a plan to pay for health care reform through taxing high-end health insurance plans, known as ‘Cadillac’ plans. The letter urged the Speaker to reject proposals with a tax on ‘Cadillac’ plans because it could potentially place a heavy burden on the middle class. Speaker Pelosi has indicated she is considering adding some form of a tax on insurance to the House bill. This letter comes in direct contrast with the legislation moving through the Senate Finance Committee which includes a tax on insurers who offer these high-end plans.

Public Opinion:

Poll Shows Increased Public Support: The latest [Association Press-GfK poll](#) has found that the public’s support for President Obama’s health care reform initiative has increased to an even split between those who support reform (40 percent) and those who do not (40 percent). In September 34 percent of the public supported Congressional proposals and 49 percent opposed them.

Additional Activities:

President Obama Pitches Health Care Reform to Doctors: [President Obama](#) addressed approximately 150 doctors representing all 50 states on the White House lawn to win their support for health care reform. Many doctors oppose reform efforts, particularly due to potential cuts in Medicare and a greater need for provisions protecting them from ‘abusive’ malpractice lawsuits.

Looking Ahead:

[Following](#) the Senate Finance Committee vote expected next week, Senate Majority Leader Harry Reid (D-NV) will work to merge the bill with the other proposed legislation from the Senate Health, Education, Labor and Pensions Committee. Sen. Reid (D-NV) anticipates beginning the debate before the full Senate shortly after Columbus Day. Speaker of the House Nancy Pelosi (D-CA) expects to have merged the three proposed bills coming out of the House and to begin full House voting in mid-October.