

This Week in Health Reform: November 13, 2009

This week's health care reform debate focused on the legislation passed by the House last Saturday. Some media outlets are raising concerns over the costs associated with the Democrat version of health care reform, highlighting the challenges Democrats might face politically as reform legislation evolves in Congress.

House and Senate Negotiations:

House Passes Health Care Reform Legislation: Late last Saturday the House narrowly passed its health care reform package with a 220 - 215 vote, which included opposition from 39 Democrats. One Republican, Representative Joseph Cao of Louisiana voted for the bill. President Obama visited Capitol Hill on Saturday morning to encourage House Democrats to pass the legislation.

The \$1.1 trillion legislation passed by the House would extend coverage to an estimated 36 million Americans, vastly expand Medicaid, establish a government-run option, and create individual and employer mandates. The legislation would also bar insurers from denying coverage based on pre-existing conditions or from dropping coverage for those who become sick. To pay for the expansion, the House passed measures including a \$400 billion cut in Medicare spending over the next 10 years, and taxes on the wealthy. While the Congressional Budget Office (CBO) estimates that the bill will reduce the federal deficits by about \$104 billion over a decade, the bill's longer term impact remains unclear and some Democrats still raise concerns over costs.

In order to secure the votes for passage, House Speaker Nancy Pelosi (D-CA) agreed to hold a vote on an amendment that would specifically bar the public plan from covering abortion and prohibit those who receive insurance subsidies from using the subsidy to purchase private plan options that cover abortion. The amendment was approved 240 to 194, with 64 Democrats in favor. Abortion rights supporters, vow to oppose the final legislation if it remains in the amendment, highlighting the difficult road ahead.

AARP and AMA Back House Bill: The House reform legislation received a boost last Thursday winning the support of two highly influential lobbies -- AARP and the American Medical Association (AMA). The announcements came at a critical time as the House Speaker was working to shore up the last votes needed to pass the reform legislation.

Businesses Voice Concerns: Groups and coalitions representing small businesses showed their opposition to the health care reform late last week, sending letters to lawmakers urging them to vote against the House health care reform bill. In a statement Saturday, Susan Eckerly, senior vice president of the National Federation of Independent Business (NFIB) said, "With unemployment at a 26-year high, the punitive employer mandates and atrocious new taxes will force small business owners to eliminate jobs and freeze expansion plans at a time when our nation's economy needs small business to thrive."

Obstacles Remain for Senate: While Senate Majority Leader Harry Reid (D-NV) waits for the CBO scoring of the Senate's proposed reform legislation, many hurdles remain before securing the 60 votes needed to pass the legislation in that chamber. These obstacles include the incorporation of a public option, issues associated with federal funding for abortion, and how to pay for the health care overhaul. Recent reports indicate that Senator Reid is considering using an increase in payroll tax on the wealthy to help pay for reform. In addition, U.S. drug makers, medical-device manufacturers and insurers are gearing up for another opportunity to reduce proposed industry fees in the Senate version of reform legislation.

With continuing pressure from White House officials to pass health care reform legislation by the end of the year, Senator Reid has indicated that he will bring the reform package to the Senate floor for debate as early as Monday. However, Senators have indicated that, more realistically, the Senate will most likely vote before Christmas, with the final passage in mid-January. In an effort to spur on Senate Democrats, Former President Bill Clinton (D) told the senators over lunch last Tuesday that "passing health care

reform is not only a moral issue but also an economic imperative."

Public Opinion:

American's Support for Passing A Health Care Reform Bill Slips: A new Gallup Poll released last Monday showed that Americans have moved in a more negative direction on whether a new bill should be passed into law. Thirty-eight percent of Americans now say they would advise their member of Congress to vote against a new healthcare bill this year, while 29 percent would advise their member to vote for it. In addition, 41 percent say a new healthcare bill would make the U.S. healthcare system better in the long run, while 40 percent say it would make things worse.

Other Activities:

Republicans Mobilize to Increase Opposition: In an effort to drum up opposition to the Democratic health care reform bills, Senate Republican Conference Chairman Lamar Alexander indicated that Republicans are "quietly" planning approximately 50 in-person and telephone town hall gatherings over the next three weeks.

Looking Ahead:

CBO estimates of the cost of the Senate health care reform package are expected late this week or early next, which will clear the way for Senate Majority Leader Harry Reid to bring the legislation to the Senate floor for debate as early as Monday.