

This Week in Health Reform: November 20, 2009

This week focused on the unveiling of Senate Majority Leader Harry Reid's (D-NV) proposed health care reform legislation.

House and Senate Negotiations:

Sen. Reid Unveils Senate Bill: Senate Majority Leader Harry Reid [unveiled](#) his version of health care reform [legislation](#) on [Wednesday night](#) after receiving [cost estimates](#) from the Congressional Budget Office (CBO). With a [price tag](#) of \$849 billion over ten years, [the bill](#) will reduce the deficit by \$127 billion over a decade, cut Medicare spending by [\\$500 billion](#), while increasing taxes by \$500 billion. In addition, [the bill](#) will:

- Provide coverage for 31 million Americans who currently lack health insurance – accounting for 94 percent of eligible Americans;
- Offer [a government-run option](#) of which states can opt out;
- Expand Medicaid;
- Require most Americans to carry health insurance, providing subsidies for those who cannot afford it and imposing weak penalties on violations;
- Bar insurance companies from denying coverage based on pre-existing conditions or dropping coverage for those who become sick;
- Impose penalties on medium-and large-sized employers for not providing health insurance to employees;
- Increase the Medicare payroll tax on higher-income workers;
- Impose fees totaling \$101.9 billion on insurance companies, drug makers, and medical device manufacturers over ten years; and
- Impose a tax on high-cost health insurance plans provided by employers to their employees.

While Democrats remain committed to passing [the legislation](#), it is not certain that Sen. Reid has the 60 votes needed to bring the measure to the floor for debate. Sens. Mary L. Landrieu of Louisiana, Blanche [Lincoln](#) of Arkansas, and Ben Nelson of Nebraska have all expressed concerns over the inclusion of a government-run plan. [Sen. Sherrod Brown \(D-OH\)](#), however, expressed in a meeting Monday night with Sen. Reid that liberal lawmakers had conceded enough ground on the government-run plan and that he should push forward with the bill.

Members of the Senate will convene on Saturday for a rare weekend session to hold a procedural vote, deciding whether or not to bring the legislation to the Senate floor for debate. Meanwhile two key issues remain central to a debate and highly controversial: immigration and abortion.

Immigration—Access to care for [illegal immigrants](#) will continue to be contentious as lawmakers work to reconcile the health care legislation passed by the House and pending in the Senate. Under the bill approved by the House, illegal immigrants would not be barred from using their own money in the newly-created insurance exchanges. White

House officials and members of the Senate Finance Committee, however, both pledged that undocumented workers would be barred not only from receiving subsidies, but also from buying insurance through federally sponsored exchanges – even with their own money.

Abortion—As Senate Majority Leader Harry Reid works to finalize the legislation coming out of the Senate, he will also need to address the question of federal funding for [abortions](#), an issue that has proved starkly [divisive](#). In his proposed bill, Sen. Reid did not go as far as the House-passed bill in limiting insurance coverage for abortions. Due to pressure from the [Catholic Church](#) and other anti-abortion groups, the House legislation restricts use of taxpayer funds for abortions, a decision that has sparked debate among pro-choice and pro-life advocacy organizations.

Other Activities:

CMS Report Indicates Costs Would Rise Under House Bill: According to [a report](#) issued by Richard Foster, the chief actuary at the Centers for Medicare and Medicaid (CMS), overall spending on health care would rise as a result of the legislation approved by the House. Specifically, [the measure](#) to reduce more than \$500 billion from future Medicare spending, would sharply reduce benefits for some seniors, and may jeopardize access to care for millions of others.

Drug Makers Increase Price, Anticipating Health Reform: Media reports that the drug industry has been raising prices at its fastest rate in years in [anticipation](#) of the costs associated with health care reform. These costs include the \$80 billion in fees over the next decade that the industry agreed to in order to help pay for coverage of the uninsured. On Wednesday, Democrats in Congress asked for [two separate investigations](#) of drug industry pricing.

Economists Endorse Health Reform Bill: Twenty-three high profile economists from universities and think tanks sent [a letter](#) to President Obama on Tuesday to support four important elements of health reform legislation critical to its success: deficit neutrality, an excise tax on high-cost insurance plans, an independent Medicare commission, and delivery system reforms.

Public Opinion:

Polls Continue to Show Deep Divisions: A new [Washington Post-ABC News poll](#) shows that Americans are deeply divided over the current health care proposals and that the majority believes costs will rise. Forty-eight percent say they support the proposed changes to overhaul the health care system, 49 percent are opposed. In addition, 52 percent say an altered system would probably make their own care more expensive, and 56 percent see the overall cost of health care in the country going up as a result of the reform. Further, a recent [Association Press \(AP\) poll](#) also shows that Americans are split (43 percent opposed; 41 percent support) over the health care plans being discussed in Congress. The AP poll also suggests that the public is becoming more attuned to the

[details of the proposals](#), including the cost implications and the public option. And, according to a [Quinnipiac University poll](#) released Thursday, 53 percent of voters disapprove of President Obama's handling of health care reform.

However, a new [CBS News poll](#) shows that only one in four indicate their preference is to have no health care legislation at all and that 51 percent support a bill with a public option.

Looking Ahead:

The Senate will convene on Saturday for a procedural vote, deciding whether or not to bring the legislation to the Senate floor for debate. Debate could continue throughout the weekend.