

This Week in Health Care Reform: Jan. 15, 2010

The final countdown to the passage of health care reform has begun. This week, members of the House returned to Washington to hammer out the final details of the proposed health care reform package on their side of the Capitol. Senate lawmakers are scheduled to return to Washington next week.

We continue to encourage you and others to engage members of Congress during this debate by visiting the [Health Action Network](#).

Health Care Reform Negotiations:

President Obama Helps Iron Out Differences: After a series of [meetings](#) this week between President Obama and Congressional leaders to [negotiate](#) the merging of the proposed Senate and House versions of health care reform, it appears [a final bill](#) is starting to [take shape](#). Following a full day of negotiations on [Wednesday](#), President Obama, Speaker of the House Nancy Pelosi, D-Calif., and Senate Majority Leader Harry Reid, D-Nev., issued a [joint statement](#) indicating that they had made “significant progress in bridging the remaining gaps between the two health insurance reform bills” and are “encouraged and energized.” Further, House Ways and Means Committee Chairman Charles Rangel, D-NY, indicated that negotiators hoped to reach agreement on the core of the legislation by [Friday](#) so that the bill could be sent to the Congressional Budget Office (CBO) for scoring.

Members of the [news media report](#) that the negotiators are considering:

- A combination of the national insurance exchange suggested by the House and the state-based insurance exchanges proposed by the Senate. President Obama has indicated his support for a [nationwide insurance exchange](#);
- An extension of the Medicare payroll tax to include some investment earnings in addition to wages;
- Abandonment of an income tax increase on high-income earners proposed by the House;
- Removal of an employer mandate on large businesses; and
- Inclusion of additional federal money to help states pay for the expansion of the federal-state Medicaid insurance program for the poor. This revision evolved in reaction to fall-out from the deal made by Senators with [Sen. Ben Nelson](#), D-Neb., to provide additional funding to Nebraska to cover the [Medicaid expansion](#). Sen. Nelson and other lawmakers and governors are pushing for the federal government to pay for the Medicaid expansion in all states.

Further, in a private meeting at the White House on Monday and a subsequent meeting on Wednesday, [President Obama](#) indicated to union leaders that while he was committed to including an excise tax on high-cost insurance plans in the final reform package, he was open to amending the proposal. The excise tax has generated significant criticism from [unions](#) and other House Democrats. [Union leaders](#) believe that the proposed tax on family insurance plans worth more than \$23,000 would hurt too many union workers. In

addition, 190 of the 256 House members object to the tax. House and Senate negotiators are considering raising the threshold for the tax and exempting certain industries.

President Obama also signaled support for the House's proposed repeal of the insurance industry's federal antitrust exemption.

Democratic Governors Association Urges Greater Engagement: Following comments from California Gov. Arnold [Schwarzenegger](#) criticizing the health care reform effort, the [Democratic Governors Association](#) convened a call last Thursday with Health and Human Services Secretary Kathleen Sebelius and senior White House advisor Valerie Jarrett. On the call, Pennsylvania Gov. Ed Rendell urged Democratic governors to be more vocal in their support for the health care reform initiative. He suggested that the group send a joint letter to Democratic members of Congress expressing their support for the legislation. The group as a whole has been silent since October when they sent a letter to Congressional leaders expressing support for health care reform.

Public Opinion:

Poll Shows Increasing Support for Reform Package: A new [Gallup Poll](#) released Tuesday indicates that while divided, Americans are showing increasing support for the health care reform package being considered in Congress. According to the poll, 49 percent of Americans now want their member of Congress to vote for reform, while 46 percent do not.

Poll Shows Disapproval of President Obama's Handling of Health Care Reform: According to a new [CBS Poll](#) released Monday, only 36 percent of Americans approve of Mr. Obama's handling of health care reform. This figure is down from 42 percent in December 2009 and 47 percent in October 2009. In addition, the poll shows that 57 percent of Americans disapprove of how Democrats are handling health care reform, while 61 percent disapprove of how Republicans are handling it.

Additional Activities:

States May Sue Over Reform: On Wednesday, more than a dozen [U.S. state attorneys general](#) came to Washington threatening to sue the U.S. government if the special subsidy covering Nebraska's costs for the Medicaid expansion is included in the final bill.

Study Shows Health Care Reform Could Benefit Economy: A [study](#) released last week by Harvard University and University of Southern California economists indicates that the legislation currently being considered by Congress would slow medical cost increases and free up money for companies to raise wages and hire employees. The savings are expected to be achieved through greater competition in the insurance market, better coordination of care and shrinking administrative expenses.

Looking Ahead:

Members of the Senate return to Washington on January 19 to resume health care reform discussions. According to Sen. Reid's aide, [the goal](#) is to submit a compromise package to Congressional budget analysts for a final cost estimate early next week, with discussions expected to resume Thursday. Ultimately, Democratic lawmakers are pushing to have a reform bill on President Obama's desk before his State of the Union Address, which is likely to occur in early February.