

This Week in Health Care Reform: February 26, 2010

As lawmakers returned to Washington this week in advance of the much anticipated Health Care Summit, President Obama released his proposal for reforming the U.S. health care system.

As the health care reform debate continues to take shape this year, we encourage you and others to engage members of Congress by visiting the [Health Action Network](#).

President Obama's Health Care Bill

President Obama Releases New Health Care Proposal in Time for Health Summit:

On Monday Feb. 22, 2010, White House officials unveiled a new [health care reform overhaul](#) that builds on the Senate version passed last Christmas Eve with some changes aimed at pleasing House Democrats who had concerns with the Senate bill. President Obama ignored requests by Republicans to scratch the Democratic plan and start over. As such, Republican leaders questioned Democratic motives and labeled the bill as a massive [government takeover](#) of America's health care system. The President's proposal does not include the [public option](#), despite the hopes of Senate Democrats, because of White House concerns that the provision will hinder passage in the Senate.

Republicans Insist House Democrats Don't Have the Votes to Pass Legislation:

Minority Whip Eric Cantor announced on Wednesday that Democrats don't have the necessary votes to pass this new health care reform bill in the House because of three new House vacancies and [lagging support](#) among some moderate Democrats. At issue for some Democrats will be weaker abortion provisions in the President's proposal as well as the on-going controversy over passing a bill by a simple majority, a process known as reconciliation.

Health Care Summit Preview

On Thursday, the President's Health Care Summit was held across the street from the White House. The Summit [began](#) at 10:00 a.m. with opening comments from the president, followed by remarks from both Republicans and Democrats. The discussion centered on four themes: controlling health care costs, overhauling the insurance market, reducing the deficit and expanding insurance coverage. Prior to Thursday, several top Republicans and some [Democrats](#) stated that [expectations](#) were extremely low for the Summit's success.

House Republicans arrived armed with their own version of a health care bill that encourages small businesses to join together to buy insurance, gives federal money to states to run high-risk pools for people who cannot obtain private insurance and limits damages in medical malpractice lawsuits. The Republican plan would cost \$61 billion and cover 3 million people over ten years. In contrast, President Obama contends his plan would cost \$950 billion and cover 30 million people over the same time period. [However](#), officials at the Congressional Budget Office ([CBO](#)) indicated they would not

be able to officially score the President's proposal with just a summary – that legislative language is needed.

Note: A full summary of the results from the Health Care Summit will be included in next week's newsletter

Additional Activities

WellPoint Executives Defend Premium Increases: On Wednesday, the [House Energy and Commerce](#) Subcommittee on Oversight and Investigations held a hearing to examine the proposed health insurance premium increases by Anthem Blue Cross in California. Anthem, a WellPoint subsidiary, recently informed subscribers in California that premiums for individual insurance policies would be rising an average of 25 percent, with some rates going up as much as 39 percent. Angela Braly, president of [WellPoint](#), said the premium increases were justified by soaring medical costs, and that pending legislation could make the problem worse, further driving up costs for young, healthy people. "Raising our premiums was not something we wanted to do," [Ms. Braly said](#). "But we believe this was the most prudent choice, given the rising cost of care and the problems caused by many younger and healthier policyholders dropping or reducing their coverage during tough economic times. By law, premiums must be reasonable in relationship to benefits provided, which means they need to reflect the known and anticipated costs they will cover."

In [Sacramento](#), Leslie Margolin, president of Anthem Blue Cross in California, also testified before lawmakers. She was joined by vice president and general manager James Oatman. The focus of that hearing was also the proposed premium increase for California members in the individual market, with company executives pointing to the current economic climate and rising health care costs as reasons for the rate hikes.

U.S. House of Representatives Repeals Antitrust Exemption from Health Insurance Companies: On Wednesday, the House of Representatives [voted 406-19](#) in favor of repealing a 65 year old antitrust exemption from health insurance companies. While Democrats said the repeal would lead to increased scrutiny of the industry, the non-partisan Congressional Budget Office said last year that [repealing the exemption](#) would not significantly reduce premiums because states already investigate health insurance companies. In addition, industry executives pointed out that legislation could further hinder competition and the ability to share information to improve health care quality. "Health insurance is one of the most regulated industries in America at both the federal and the state levels," said Karen Ignani, president and chief executive of America's Health Insurance Plans (AHIP). "The real focus should be on addressing the rising cost of medical care, which is putting an unsustainable burden on families, employers, and the federal budget," she said.

Public Opinion

Polling Suggest Health Care Reform is Still Key to Economic Recovery: Recent polling on health care reform shows mixed reaction among the public over the proposed legislation. According to a recent [CNN poll](#), 48 percent of those questioned said lawmakers should work on an entirely new bill and 25 percent felt that Congress should stop work on health care reform altogether.

According to the monthly [poll from the nonpartisan Robert Wood Johnson Foundation](#), 75 percent of Americans still think it's important that Obama include health care reform in addressing the nation's economic crisis, while many still harbor doubts about the legislation.

When asked how the health care legislation relates to their economic situation:

- Nearly 31 percent said they thought the Democratic bills would make their personal financial situation worse, compared with 10 percent who said it would improve their family budgets;
- Forty-two percent said the nation's fiscal condition would suffer because of the legislation, compared with 26 percent who said it would get better.
- Americans were divided on whether the Democrats' approach would improve overall access to health care around the country, with 35 percent saying it would, and nearly that many disagreeing.

Health Insurance Coverage Varies Widely Based on Age: Coming just before the President's Summit on Health Care, a newly released [Gallup Poll](#) reinforces the wide degree of variability in health insurance coverage across U.S. population segments, especially when it comes to age. Eighty-four percent of 18 year olds have health insurance, most likely because they are still covered under their parent's policies. By age 22, health insurance coverage reaches its lowest point, with just 66 percent maintaining coverage. From age 22 on, the percentage of Americans with health insurance begins to climb, albeit slowly, reaching the 95 percent level at age 65 when Medicare becomes an option.

Looking Ahead

Legislators need to determine next steps for health care legislation coming out of the President's Health Care Reform Summit. On Wednesday, Department of Health and Human Services Secretary Kathleen Sebelius [invited](#) executives from the top five insurance companies to meet at HHS to discuss their companies' insurance premiums.