This Week in Health Reform: July 16

Public Plan:

Help Committee Passes Reform Bill: The Senate Health, Education, Labor and Pensions (HELP) Committee became the first Congressional panel to advance health care reform legislation to the Senate floor for larger consideration, with a 13-10 vote on its bill out of markup. As Republicans on the panel voted unanimously against the measure, the partisan split signified potential trouble ahead. President Obama commended the action but continued to apply pressure on the rest of Congress; specifically the Senate Finance Committee, which is working its own health care reform bill, as well as members on the House side.

House Unveils Reform Bill: House Democrats on Tuesday rolled out a health reform bill that includes a government-run option, an employer mandate and an individual mandate. The $1.5 trillion plan would make health care a right and responsibility for all Americans—medical providers, employers and the wealthiest to assume most of the cost, with a surtax of as much as 5.4 percent on those earning more than $350,000 a year.

In response to action in both the House and the Senate, WellPoint released a statement stating the company "is deeply disappointed with the legislation progressing in Congress. Both the bill proposed by House Democrats and the bill passed by the Senate HELP Committee miss the opportunity to address the underlying cost drivers in our health care system." The statement is available on WellPoint's Health Action Network.

The Blue Dog Coalition and the New Democrat Coalition voiced opposition to the bill citing serious concerns over the employer mandate and using Medicare reimbursement rates as a basis for a public option, slowing the bill's introduction. President Obama met Monday with several members of the Blue Dog Coalition where he emphasized the savings that could come beyond the 10-year budget window; Speaker Nancy Pelosi (D-CA) met with the Blue Dogs on Tuesday. The Blue Dogs plan to make a stand in the Energy and Commerce Committee markup which began Thursday.

Financing the Plan:

Taxing the Rich Draws Criticism: The House Democrats' proposal to create a new tax on the wealthiest of Americans has drawn sharp criticism from Republicans and is creating friction with some Democrats. Senate negotiators have basically abandoned taxing the wealthy, with Republicans arguing that the tax would disproportionately harm small business.

Senator Proposes Industry Fee: Sen. Charles Schumer (D-NY), a member of the Senate Finance Committee, said health insurers should pay at least $75 to $100 billion over 10 years to help pay for health reform. Panel members Wednesday discussed assessing a fee on insurers, which would likely be included in legislation. WellPoint, responded to the proposal, saying that it would "further exacerbate" cost shifting. "This proposal is another way of taxing health benefits for all Americans with private coverage," the Indianapolis-based company said in a statement.

The White House is also looking to medical device manufacturers to find savings of as much as $60 billion over 10 years to contribute to paying for health care reform.

Additional Activities:

AMA Supports House Bill: The American Medical Association (AMA) issued a letter to House Ways and Means Chairman Charlie Rangel (D-NY) in support of the House Bill, commending its provisions including extending coverage to all Americans, providing consumer choice through a health insurance exchange and proposing fundamental Medicare reforms.

Business Groups Oppose House Bill: On Wednesday The National Association of Manufacturers (NAM) and the National Federation of Independent Business (NFIB) issued separate letters to Members voicing opposition to the House bill. A U.S. Chamber of Commerce letter to House Ways and Means Chairman Charlie Rangel (D-NY) on Wednesday also voiced the Chamber's opposition to the House bill. All three cite the bill's threat to small businesses.

New Tax Study Highlights Impact: The non-partisan Tax Foundation found in a new study that the House proposed 5.4 percent tax increase on top wage-earners would push top tax rates over 50 percent in 39 states. Tax Foundation President Scott Hodge stated, "[the findings show that] the government would be taking more than half of every additional dollar from high-income taxpayers."

NRF Rallies Against Wal-Mart: The National Retail Federation (NRF) sent a letter Monday to 2,500 members rallying against Wal-Mart's support of an employer mandate. The NRF believes that an employer mandate would cripple retailers with added costs during a hard-hit economic times.

Advertising Heats Up: A wing of the Democratic National Committee (DNC) is launching a new television advertising campaign, funded by the Organizing for America (OFA), targeting nine Democratic senators on healthcare. The ads will encourage senators to back a major healthcare overhaul. The ads will run in Arkansas, Indiana, Florida, Louisiana, Maine, North Dakota, Nebraska and Ohio.

Looking Ahead:

Finance Committee Chairman Baucus told President Obama that the committee plans mark up for next week.