

Monday, February 1, 2010

This Week in Health Care Reform

State of the Union Address

President Obama Gives State of the Union Address: Last Wednesday evening, President Barack Obama delivered his first State of the Union address before a joint session of Congress. Having hoped to have a health care reform bill on his desk prior to his address, the President instead used his speech to encourage Congress to push forward on health care reform. He did not give specific guidance as to how to proceed with the legislation. Instead, he made it clear that his primary focus would be on jobs and the economy.

Health Care Reform Negotiations

Democrats Still Seek Way Forward: While vowing not to give up, Democratic Senate leaders indicated Tuesday that they no longer felt pressure to move quickly on health care reform; and, in the wake of the Massachusetts election and in reaction to public opinion, they shifted focus to jobs and the economy. Senate Majority Leader Harry Reid (D-NV) commented that there is "no rush" on health care and said that he and Speaker of the House Nancy Pelosi (D-CA) were working to map out a way to complete health care reform in the coming months. On Wednesday, Sen. Pelosi floated a two-pronged strategy to pass incremental changes now and pursue comprehensive reform later.

Some lawmakers have considered breaking up the legislation into smaller pieces that have bipartisan support. However, this option will prove challenging given the complexities and interdependencies of the measures. For example, lawmakers would like to include a measure that requires all insurance companies to insure those with pre-existing conditions; however, premiums will most likely increase unless there is an individual mandate.

Earlier this week, Democrats appeared to be coalescing around a different strategy through which Senate lawmakers would make changes to their bill to appease members of the House. The Senate would then pass the revised bill via reconciliation, which only requires 51 votes. Following that, the House would approve the revised bill, giving it to President Obama for his review. However, movement on this strategy stalled Tuesday when two centrist Senators, Sens. Evan Bayh (D-IN) and Blanche Lincoln (D-AK), indicated that they would oppose using reconciliation to bypass Republican support. Others, including Sen. Joe Lieberman (I-CT) and Sen. Dianne Feinstein (D-CA), have suggested a "time out" on health care reform until there is a clear path forward.

In the GOP response to President Obama's State of the Union address, Virginia Governor Robert McDonnell said that Republicans share the Democrats' desire for health care reform, but do not agree with their proposed solutions. Republicans suggest that Democrats scrap the current proposals and start over with more Republican input on issues such as medical malpractice reform and selling insurance policies across state lines.

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Republicans Call for Transparency: On Wednesday, the House Energy and Commerce Committee marked up a resolution presented by Rep. Michael Burgess (R-TX) which requested that the administration divulge documentation regarding the health care reform deals made with trade associations and a labor union. Committee Chairman Henry Waxman (D-CA) said that while details remained to be worked out, he would support a narrowed version of the Republican request for White House records.

Interest Groups Call for Reform: With health care reform's fate in jeopardy, interest groups have voiced their support, encouraging Democrats to push forward with legislation. The AARP, American Cancer Society Cancer Action Network, Consumers Union, Families USA and Service employees International Union sent a joint letter last Thursday urging Congress not to abandon comprehensive health care reform. Further, the United States Conference of Catholic Bishops also sent a letter to Congress urging a push for reform.

Public Opinion

Polls Show Concern with Health Care Reform; More Focus on Jobs and Economy: Several polls were released this week that highlight the public's disenchantment with health care reform and anxiety around the struggling economy.

A new CNN/Opinion Research poll released Tuesday shows that only three in ten Americans say they want Congress to pass legislation similar to the bills currently being discussed in Congress. Forty-eight percent of Americans would like lawmakers to start again on a new bill, and 21 percent believe Congress should not work on bills that would change the current health care system. Further, a *Wall Street Journal*/NBC poll released Wednesday found that 51 percent of Americans believe President Obama has paid "too little attention" to the economy and that 44 percent feel he has paid "too much attention" to his proposed health care overall.

In addition, a new *USA Today*/Gallup poll released late last week finds that most Americans call for a more bipartisan effort in health reform. A 55 percent majority of Americans say that President Obama and Congressional Democrats should suspend movement on health care reform and consider alternatives that would increase Republican support.

A poll released last weekend by the *Washington Post*, Henry J. Kaiser Family Foundation and Harvard University's School of Public Health indicated that dissatisfaction with the direction of the country, including the Democrats' health care reform proposals, drove the outcome of the Massachusetts election. The post-election survey of Massachusetts state voters showed that overall 43 percent say they support the health care reform proposals advanced by President Obama and Congressional Democrats, while 48 percent oppose them.

A new poll released Monday from the Robert Wood Johnson Foundation found that fears regarding the health care reform package increased significantly in December as members of the Senate finalized their bill. Thirty-three percent of respondents said they believed their access to care would worsen if the legislation passed, up from 25 percent in November. Forty-two percent said the country's finances would suffer under reform, compared with 34.6 percent in November.

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Looking Ahead

This week, the President will present his Budget to Congress (which includes health programs), after which Congressional hearings will commence. We expect health reform to be discussed in these sessions. While there remains no clear path forward for health care reform, Congressional leaders will continue to work to find a solution.

Please feel free to contact your SML Account Team should you have any questions regarding this piece.

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