

Tuesday, February 9, 2010

This Week in Health Care Reform

Despite proclaiming to focus on other issues, such as the economy and jobs, President Barack Obama injected new energy into the health care reform debate last week.

Last Monday, President Obama held a Q&A session via YouTube in which he responded to questions submitted during his State of the Union address. He commented that "it is my greatest hope" to have health care reform legislation "not just a year from now, but soon." He also responded to criticisms regarding the lack of transparency around the reform negotiations.

Last Tuesday, at a town-hall-style meeting in New Hampshire, President Obama rejected the notion that health care reform was dead, saying "we've got to punch it through." Further, on Wednesday, he met with Senate Democrats reiterating his commitment to reform and encouraging lawmakers to press forward. He also suggested that Republicans play at least some role in negotiating a final bill.

Health Care Reform Negotiations

Democrats Look for Path Forward: Recent statements made by Rep. Charles Rangel (D-NY) are the first concrete signs that Democrats have started working to revive comprehensive health care reform legislation. Rep. Rangel indicated to the media that lawmakers have begun writing a compromise bill based on the legislation passed by the Senate last December. The bill will incorporate changes agreed upon last month by White House negotiators and members of the House and Senate.

Senate Majority Leader Harry Reid (D-NV) did not commit to a timeline for reform, but hopes that Democrats can agree to a path forward by next week. So far, he has been unable to identify compromise language that will win the needed 51 Senate votes.

At the same time, Speaker of the House Nancy Pelosi (D-CA) indicated that the House would vote on a small piece of the overall health care reform package next week. The proposed bill would overturn the insurance industry's exemption from federal antitrust laws. The Senate version of health care reform did not include this measure because Sen. Reid could not secure the 60 votes needed to include it; however, Sen. Reid indicated the Senate would reconsider the measure.

Tuesday, February 9, 2010

Additional Activities

President Obama's Budget Assumes Health Care Reform: On Monday, White House officials released a proposed \$3.8 trillion 2011 budget including several measures aimed at improving health care:

- Hiring more fraud detectives to root out waste in Medicare and Medicaid
- Providing \$25.5 billion to help state Medicaid programs swelling with enrollment due to unemployment
- Eliminating Congressional earmarks for building hospitals and other facilities, including \$10 million for Alaska and \$35 million for Mississippi
- Initiating or increasing funds for the following research projects:
 - quality improvements for seniors with chronic conditions
 - effective medical treatments for the costliest conditions
 - expeditious ways to adopt electronic medical records
 - medical fields such as genetic medicine that may provide breakthrough treatments.

Further, the budget assumes that some form of health care reform legislation will pass Congress. It includes a "reserve fund for health care reform" totaling \$634 billion as a "down payment" for the legislation and also assumes that the reform effort will generate \$150 billion in savings over 10 years.

States Begin Initiatives to Expand Coverage: With the fate of national health care reform in question, state legislators are pushing their own bills to expand coverage. Last Thursday, California's State Senate passed a measure to create a government-run health care system, ignoring a veto threat from Gov. Arnold Schwarzenegger. The measure is now with the State Assembly. Missouri legislators have introduced a similar bill to create a government-run plan whereas lawmakers in other states, including Virginia and New Jersey, are working to tweak existing state programs to expand coverage. Tight budgets in all of those states may hinder these efforts.

Virginia Senate Says No to Individual Mandates: On Monday, Virginia's Democratic-controlled State Senate passed measures that would make it illegal to enforce an individual health care mandate. This decision comes in direct conflict with the House and the Senate health care reform bills, both of which require all individuals to purchase health insurance.

Tuesday, February 9, 2010

Public Opinion

Majority of Americans Doubt Passage of Health Care Reform, but Growing Optimism: A survey released by the Pew Research Center on Wednesday shows growing optimism around the passage of health care reform. While the poll indicates that the majority of Americans (60 percent) do not believe health care reform legislation will pass this year, the figure is down from the 67 percent who said - just after a special Senate election was held last month in Massachusetts - that such legislation would not pass.

Poll Indicates Damage Done On Health Care Reform: A poll released Tuesday by Public Policy Polling shows that Republicans currently have the advantage over Democrats in the ballot races for Congress, regardless of the final outcome of health care reform. In general, the poll shows that 43 percent of voters surveyed would vote for a Republican, whereas 40 percent would vote for a Democrat. When asked about the implications of the health care overhaul:

- If health care reform passes, 45 percent would likely vote Republican and 40 percent would likely vote Democrat.
- If health care reform does not pass, 43 percent would likely vote Republican and 38 percent would likely vote Democrat.

The poll also shows that 36 percent of respondents support the President's health care reform effort, while 51 percent oppose it.

Looking Ahead

Currently there is no timeline for the development of a comprehensive health care reform package. However, Speaker Pelosi is moving forward with smaller pieces of the bill, starting next week with the repeal of the antitrust exemption for insurance companies.

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

Disclaimer Statement:

These materials are produced by Sitzmann Morris & Lavis, Inc. for educational purposes only. Certain information contained in these materials is considered proprietary information created by Sitzmann Morris & Lavis, Inc. Such information shall not be used in any way, directly or indirectly, detrimental to Sitzmann Morris & Lavis, Inc. and/or their affiliates.

Copyright © 2010 Sitzmann Morris & Lavis, Inc. All Rights Reserved.