

Thursday, July 9, 2009

This Week in Health Care Reform

Congress is back in session and aggressive health care reform activity continues across the country, including extensive grassroots' efforts and a virtual town hall meeting recently hosted by President Obama.

Public Plan Update

There are new developments from Sen. Ted Kennedy (D-MA) and his Health, Education, Labor and Pensions Committee (HELP). It was leaked to the press that Sen. Kennedy will introduce a proposal of a government-backed alternative to private insurance designed to pay for itself after getting federal start-up money.

- A summary of the leaked proposal states that the public plan would be part of a computer "gateway" that allows consumers to compare different plans, including private options.

Despite earlier Senate committee testimony against the public option this week, newly sworn-in American Medical Association (AMA) President Dr. Rohack departed from the AMA's previous position, stating that the AMA is open to a public option, which would also allow the uninsured to buy into a system that insures federal employees and is open to non-profit cooperatives.

Financing the Plan

The UnitedHealth Group unveiled a report on Tuesday highlighting a number of ways the industry can reduce costs by \$332 billion, largely through reducing paperwork and administrative costs. Details to the plan are still vague and overall cost remains a driving factor.

Public Plan Alternatives

The "Co-op Alternative Plan" gained additional momentum this week as Health and Human Services Secretary Kathleen Sebelius said she's open to the idea of a medical-insurance cooperative. "You could theoretically design a co-op plan that had the same attributes as a public plan," she said, in a meeting with Bloomberg News editors and reporters.

Additional Activity

Wal-Mart Backs Employer Mandate: On Tuesday, Wal-Mart, the nation's largest employer, announced in a letter to President Obama that the company will support an Employer Mandate, adding momentum to one of the most contentious aspects of legislation being crafted on Capitol Hill. The June 30th announcement, which came after a White House meeting, brought together Wal-Mart, the think tank Center for American Progress and the Service Employees International Union, which has often sparred with the retailer over the benefits provided to their 1.4 million employees. It should be noted that most business groups, displeased with the shape of the legislation that has emerged so far, have begun to mobilize against President Obama's top domestic priority.

Looking Ahead

Lawmakers returned to Washington D.C. on July 6th after a weeklong recess to continue efforts within their committees to hammer out legislation prior to the August district work period.

Next Tuesday in Houston, Senate Republican Leader Mitch McConnell (R-KY), Senator John McCain (R-AZ) and Senator John Cornyn (R-TX) plan to hold a public discussion to stir up opposition to a public plan option.

Should you have any questions regarding Health Care Reform, please contact your SML Account Team.

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 © 2009 Sitzmann Morris & Lavis, Inc. All Rights Reserved.