

Monday, March 15, 2010

## This Week in Health Care Reform

This week, President Obama traveled outside of Washington to rally support for his health care reform plan, while Republicans highlighted the risks involved with approving the Senate version before contentious provisions are removed.

On Thursday, the Congressional Budget Office (CBO) released its scoring of the Senate's health care reform bill passed last December. The President's plan, which was built on this legislation, has not yet been scored by the CBO.

Meanwhile, Business Week highlighted the complexities of the health care system through an article in which a widow shares the story of her husband's end-of-life care and the value of their private health insurance.

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.

### Health Care Reform Negotiations

**President Obama Holds Health Care Forums:** On Monday, President Obama traveled to Arcadia University, outside Philadelphia, to rally support for his health care plan. With a simplified argument, he focused on the stark choice between reforming the system now and leaving it unchanged. He argued that rising costs, insurance company practices and the burden of the expense on the federal budget make immediate reform imperative.

On Wednesday, President Obama traveled to St. Louis, where he proposed to combat fraud in the Medicare and Medicaid system by rewarding independent auditors with incentives for finding improper payments. This idea was originally proposed by Republicans, and White House officials estimate the proposal could save American taxpayers \$2 billion over the next three years.

**Business Groups Launch Ad Campaign to Combat Legislation:** As President Obama attempted to garner increased support for his health care overhaul, a coalition of 248 business groups - led by the U.S. Chamber of Commerce - launched a 10-day, \$10 million ad campaign aimed at pressuring lawmakers to oppose the health care reform bill. Business groups say the Democratic legislation will hurt companies by adding new taxes and costly requirements, while failing to control medical costs. The ads, which will run on national cable television in 17 key states around the country, target conservatives and moderate Democrats.

In addition, the health insurance industry trade group, America's Health Insurance Plans (AHIP), launched a \$1 million ad campaign Tuesday on national cable television. The AHIP ad directly responds to attacks on the industry by President Obama and congressional Democrats. Citing data from the Centers for Medicare and Medicaid Services, the ad shows how insurance costs make up only 4 percent of health care spending, pointing out that hospitals, doctors and drugs are the real reason for rising health care costs.

**Sebelius Encourages Insurers to Get Onboard with Health Care Bill:** In response to the AHIP ads, speaking at the group's annual policy conference, Health and Human Services Secretary Kathleen Sebelius urged health insurers to work with the President to pass his bill. "It's not too late to work on this issue together, for insurance companies to come to the table and work with us," said Secretary Sebelius. Industry group leader Karen Ignagni responded, saying that health care costs will continue to rise under this legislation and more must be done.

Monday, March 15, 2010

**Reconciliation Process at Heart of Debate:** While Senate Democrats favor passing the health care bill through the legislative process known as reconciliation, many rank and file House Democrats expressed reservations this week, with concerns about their "fixes" making it into the reconciled Senate version. As a result, Democratic leaders are contemplating an intricate legislative two-step, by which the House would first approve the original Senate health care measure and then both chambers would adopt a package of changes in a budget reconciliation bill. Those two measures would then be sent to President Obama for his signature. However, it is not clear this will pass procedural muster.

Also complicating matters for Senate Democrats last week was moderate Arkansas Senator Blanche Lincoln (D-AR), who made clear her opposition to the reconciliation process, despite previously supporting the Senate's reform package. While Senate Democrats do not want to lose any votes, the Senator is facing a tough reelection back home, with a strong liberal Democratic opponent.

**Abortion Still Holding Up Health Care Bill:** The debate around the use of federal funds for abortions continues to raise tensions for those on both sides of the issue. Congressional leaders continue to work on the issue behind the scenes, with a renewed focus on garnering support among other conservative Democrats, should anti-abortion Democrats ultimately fail to support the bill.

**Democrats Fight Publicly Over Deadline:** Democratic leaders huddled Tuesday night in House Speaker Nancy Pelosi's (D-CA) office for the first of many strategy sessions, as lawmakers attempt to complete the year-long health care reform debate before the start of Easter recess, March 26. That deadline, however, remains uncertain, with infighting between White House officials, who point to March 18 as the original deadline, and Democratic congressional leadership, who contend that Easter is their goal, albeit a difficult one.

## Additional Activities

**Senate Approves Jobs Bill, Extending Aid to the Unemployed:** On Wednesday, the Senate approved a \$138 billion measure that would extend unemployment benefits and provide additional aid to states through December. This legislation will extend health care coverage to unemployed Americans through COBRA and protect physicians from a looming 21 percent cut in Medicare fees. In addition, the federal government will send \$25 billion to the states to help offset rising Medicaid costs. The Senate voted 62-36 to approve the legislation, which would also extend dozens of expiring tax cuts and ease corporate pension requirements. The bill now heads to the House where some members have expressed reservations regarding some of the Senate-approved provisions.

## Public Opinion

**Americans Still Opposed to Reform:** In a newly released Rasmussen Reports survey, 53 percent of American voters continue to oppose the health care plan proposed by President Obama and congressional Democrats. Further, 54 percent believe passage of this proposal will lead to higher health care costs, and 49 percent believe it will reduce the quality of care. Only 17 percent of respondents said this plan would reduce health care costs as promised.

In a recent poll conducted by Gallup, a slight majority of Americans would advise their members of Congress to vote against the current health care plan, and 48 percent disapprove of the President's plan for reform. The poll also finds that those who oppose the bill, oppose the approach, while supporting the general concept of reform. Among those who disapprove the bill, 62 percent would prefer that Congress scrap this legislation and start over, while 37 percent prefer Congress not work on reform at all.

*Monday, March 15, 2010*

***159 Ways the Senate Bill Is a Government Takeover of Health Care:*** Last week the Senate Republican Policy Committee unveiled a list of new boards, bureaucracies and programs that would be created in the 2,733-page Senate health care bill that serves as the framework for President Obama's health care proposal.

### **Looking Ahead**

The President plans to visit Cleveland, Ohio, on Monday to meet with Natoma Canfield, the cleaning woman and cancer survivor whose story he has used to exemplify the need for health care reform. Lawmakers will spend next week hammering out a final health care reform package and the process by which it will be approved. Democratic leaders are also debating whether to tack onto the bill a popular proposal to overhaul the federal student loan program. They will continue to debate this strategy, as some worry that its cost might jeopardize passage of a final health care reform bill.

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