

*Tuesday, March 9, 2010*

## This Week in Health Care Reform

Last week, President Barack Obama continued to pressure lawmakers to pass a final health care reform bill, calling for its passage through reconciliation, a process which only requires the support of a simple majority. Republicans continued to oppose the President's proposal, vowing to fight the expedited reconciliation process, while House Democratic leaders began intense internal discussions to rein in the needed votes.

### **Health Care Reform Negotiations**

***Health Care Summit Ends in Stalemate:*** President Obama and congressional leaders spent nearly seven hours debating how to overhaul the U.S. health care system. Republicans argued against this new proposal, labeling it a government takeover and suggesting a more incremental approach. The philosophical differences between the parties were evident throughout the summit and remained unchanged at day's end. As predicted, no new agreement was reached and Democratic leaders left the meeting determined to press forward with or without bipartisan support.

***Tensions Increase Between the President and Congressional Republicans:*** After the health care reform summit, which displayed deep rifts between both Democrats and Republicans, the President sent a letter Tuesday to Congressional leaders. In the letter, the President offered to incorporate a handful of Republican ideas into his bill. Such Republican ideas include the expansion of health savings accounts, increases to Medicaid reimbursements to doctors, the implementation of undercover investigations to combat fraud in the Medicare system and increases in funding for grants to states to explore alternatives to resolve medical malpractice lawsuits.

Republicans rejected his proposal, calling his bill "unsalvageable," and asked him to listen to the American people and start the process from scratch.

***President Obama Calls for Passage through Reconciliation:*** On Wednesday, the President stepped up the pressure, urging lawmakers to finish work on health care reform legislation. He encouraged them to ignore the politics of the issue, saying, "I do not know how this plays politically, but I know it's right."

Additionally, the President expressed his support for using the reconciliation process to prevent a Republican filibuster. The process would involve legislators in the Senate working with House members to develop a reconciliation package. This package of "fixes" would only require a simple majority vote in the Senate, as opposed to the 60 votes usually required to pass legislation. Democrats can no longer rely on the normally required 60 votes to pass the bill, due to the election last fall of Republican Senator Scott Brown.

Republicans continued to express strong opposition for the reconciliation tactic, saying that it was never intended for such important legislation and it raises the specter of unlimited amendments and challenges to the bill's provisions.

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**Democrats Work to Shore Up Votes:** Democrats continued to work behind closed doors to garner enough votes to pass the Senate bill before the congressional Easter recess, which begins March 29, a deadline set by the President. A number of issues continue to present challenges for Democratic leaders, including Medicaid funding, immigration and abortion funding.

**Abortion Issue Looms over Health Care Reform Bill:** As final legislation begins to take shape, the debate around the use of federal funds for abortions continues to draw rancor from both sides of the issue. Currently, the new legislative package contains less restrictive language on federal funding of abortion, which diverges from the language included in the version passed by the House last fall. Rep. Bart Stupak (D-MI), a leader among anti-abortion Democrats, has intimated that this new language could cost House Speaker Nancy Pelosi (D-CA) the 10 to 12 votes that she needs to pass the bill. On the other side, supporters of abortion rights fear the inclusion of more restrictive language.

#### Additional Activities

**Jobs Bill Extends COBRA Coverage and Medicare Payments:** This week, both the House and Senate passed bills giving unemployed Americans another month of health care coverage through COBRA and protecting physicians from a looming 21 percent cut in Medicare fees. This measure will now go to President Obama, as debate begins on a much broader bill that would extend the safety net programs through the end of the year.

**House Energy and Commerce Committee Expands Investigation into Rate Increases:** After recently examining the rate increases proposed by Anthem Blue Cross in California, House legislators signaled their intention to expand the investigation by summoning the chief executives of the nation's four largest for-profit health insurance companies to testify before the committee on the topic of preexisting conditions. The top executives at WellPoint, UnitedHealth Group, Humana and Aetna have been invited to appear before the Subcommittee on Oversight and Investigations on March 23<sup>rd</sup>.

#### Public Opinion

**Americans Support Incremental Steps to Reform:** In a newly released Rasmussen Reports survey, 52 percent of American voters continue to oppose the health care plan proposed by President Obama and congressional Democrats. Further, 63 percent of those polled believe that passing smaller, more targeted bills is a better strategy for achieving health care reform. In addition, just over half think that health care costs will rise if the current plan passes into law. Only 17 percent are convinced that the plan will decrease health care costs.

**Editorials Point to Failed Massachusetts Health Care Experiment:** Also this week, both the *Wall Street Journal* and *Boston Herald* featured opinion pieces pointing to the high costs of health care in Massachusetts, which passed its own version of universal care in 2006. Talk radio host Michael Graham in the *Boston Herald* pointed out that the Massachusetts plan is already \$47 million over budget this year, saying, "It's killing us on costs: Average Massachusetts premiums are the highest in the nation and rising. We also spend 27 percent more on health care services, per capita, than the national average."

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**Looking Ahead**

The next major step will be for Senators to send the reconciliation bill to the Congressional Budget Office (CBO) for a cost estimate, which could take days or even weeks to finalize. As Democratic leaders continue to lock down a strategy on the process, timing and substance of the bill, President Obama plans to travel to Philadelphia and St. Louis this week to discuss the importance of the bill's passage.

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