

Hardest Work Remains Ahead on Health Reform

BY ALICIA AULT

The hard work of health reform lies in front of Congress as it heads back to work after its 5-week summer recess.

Over the next 2 months, Democrats and Republicans will have to figure out what to pare off the long wish lists put together by House and Senate committees, and, more importantly, take on the politically distasteful task of determining how to pay for what remains.

That job is the province primarily of the Senate Finance Committee, which at press time had yet to weigh in with a reform proposal. Reportedly, the committee set a Sept. 15 deadline to complete its work.

The funding issue is thorny enough; achieving a bipartisan consensus is another hurdle, and Finance Committee Chairman Max Baucus (D-Mont.) seems more wedded to achieving that than the other committees with jurisdiction over health care.

Joe Antos, a scholar with the Washington-based American Enterprise Institute, said he expected Sen. Baucus to go to the mat to win a bipartisan agreement, largely because of his friendship with the committee's ranking minority member Sen. Chuck Grassley (R-Iowa). And that could push potential floor action in the House and Senate further into the fall, he said.

Republican lawmakers have sought to slow down the process. In a teleconference with reporters, Sen. John Cornyn (R-Texas), who sits on the Senate Finance Committee, called for "time to analyze what's in the bills, and analyze the cost and effectiveness." Visits to their home districts allow legislators to "check back with the people who are going to have to live with whatever we come up with and certainly they're going to have to pay for it," he said.

The public option has been one of the most controversial aspects of the proposals floated so far. Ron Pollack, executive director of the liberal advocacy group Families USA, said in an interview that the focus on the public option has overshadowed many provisions of proposed legislation that "are enormously important and are not anywhere near as controversial," but that "are essential to health reform."

Those provisions would help bring costs down and improve access to care through reforms of the insurance market, said Mr. Pollack. He expects the House to pass a "robust public plan option as part of its leg-

islative package," but said that the Senate is less likely to do so.

The administration also appeared to paint the insurance industry as the poster child for everything wrong with the current system. At the New Hampshire event, President Obama said that under reform, "insurance companies will be prohibited from denying coverage because of a person's medical history," and that "they will not be able to water down your coverage when you need it."

But the industry has fought back. "Health plans last year proposed health insurance reform to make sure that no one is denied coverage because of a pre-existing condition," Karen Ignagni, CEO of America's Health Insurance Plans, said in a statement. "Our proposal includes new consumer protections and market rules to guarantee coverage for pre-existing conditions, discontinue basing premiums on

a person's health status or gender, and get everyone covered through a personal coverage requirement."

Mr. Antos said that taking on the insurance business might make for good public relations, but that "this tactic seems like an admission of defeat," by the administration. If the White House makes a villain out of insurers now, it might make it difficult negotiate with the industry this fall, he said.

The insurers' cooperation might be necessary to meet the president's goal of having a deficit-neutral reform package. The White House has gotten promises from the pharmaceutical industry and hospitals to cut costs over the next decade, but physicians are looking for a raise from Medicare—or at least a guarantee that their fees won't be cut.

The substance of that final health reform package is far from clear.

The House and Senate plans differ (see chart); the addition of the Finance Committee's proposal, when it comes, is likely to widen the gap.

Mr. Pollack of Families USA noted without bipartisan agreement, the Senate leadership will move forward without the Republicans and put the whole package to the floor for a vote, likely through the complicated reconciliation process. Under that procedural maneuver, only 51 votes are required for passage.

That scenario looks increasingly likely, according to Mr. Pollack. He said that Senate Republican leaders, including John Kyl (R-Ariz.) and Mitch McConnell (R-Ky.), "feel it's in the best interest of the Republican Party politically to defeat health care reform." ■

Joyce Frieden and Mary Ellen Schneider contributed to this report.

What's in the Bills?

	House Tri-Committee	Senate Health, Education, Labor, and Pensions Committee	Senate Finance Committee*
Public Option	Included as part of a health insurance exchange in which consumers can choose from a variety of plans	Included as part of a health insurance exchange in which consumers can choose from a variety of plans	Under consideration: a Medicare-like program with federally set payment rates; a public plan administered and negotiated through multiple, regional third-party administrators; a state-run public option run by the states; no public option
Congressional Budget Office Cost Score	\$1 trillion over 10 years offset by spending cuts and tax increases; net budget deficit increase of about \$239 billion	\$615 billion over 10 years	Not available
Medicare Changes	Sustainable growth rate reform; elimination of overpayments to Medicare Advantage plans	Not addressed	Medicare Advantage plans would be paid for quality improvement and given bonuses if they use evidence-based programs to manage chronic illness. Medicare would establish a value-based purchasing program for hospitals, home health, and skilled nursing providers, and later for physicians. Inappropriate ordering of imaging services such as CT scans and MRIs would be reduced
Individual Mandate	Individuals required to obtain coverage or pay a penalty, except in hardship cases	Individuals required to obtain coverage or pay a penalty, except in hardship cases	Individuals required to obtain coverage or pay a penalty; exemptions may be sought
Employer Mandate	Employers required to provide coverage or contribute 2%-8% of payroll toward coverage; small businesses exempt	Employers with more than 25 employees required to provide coverage and pay at least 60% of the premium, or pay \$750 annual penalty per full-time employee (\$375 per part time)	Employers who do not offer coverage required to cover the average cost of eligible workers' federal subsidies**
Insurance Reform	Premiums could vary based on age, geography, and family size; on a limited basis based on health status or other factors; but not based on pre-existing condition or health status	Premiums could vary based on age, geography, family size, value of benefits provided, and tobacco use; but not based on gender, type of work, health status, or claims experience	Premiums could vary on a limited basis due to tobacco use, age, and family size. Insurance companies required to cover all individuals and forbidden to deny coverage based on pre-existing condition
Who would be covered?	An additional 37 million (currently uninsured)	97% of Americans	Not available

*Finalized bill not available; information gleaned from committee white papers.

**Based on analysis by the Center on Budget and Policy Priorities

Sources: House Energy and Commerce Committee, Senate HELP Committee, Senate Finance Committee, Congressional Budget Office, and Center on Budget and Policy Priorities