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Health Reform Summit Seems to Be Falling Short of Goal

Written by Jennifer Thomas

President Barack Obama's attempt to jump-start health care reform by holding a bipartisan summit on the issue seemed to be falling short of its stated goal Thursday, with Obama asking legislators to focus on what both parties can agree on and Republicans responding with calls for scrapping the current effort and starting all over again.

Even Obama conceded that the summit appeared to have little chance of ending in meaningful health care reform.

"I don't know that those gaps can be bridged and it may be that at the end of the day we come out of here saying, 'Well, we've had some honest disagreements,'" Obama said, adding, "but I'd like to make sure that this discussion is actually a discussion and not just us trading talking points."

But the Republicans did not appear to be in the mood for compromise.

"This right here is a dangerous experiment, a dangerous experiment with the best health-care system in the world," House Republican leader John Boehner of Ohio said, waving his hand toward the pile of documents that were the Democrats' health care bill.

Meanwhile, many of the nation's most influential medical groups sought this week to remind Americans how badly reform is needed.

"President Obama will have a great opportunity to explain what is in the health reform legislation, thereby sorting out fact from fiction," said Ron Pollack, executive director of Families USA. "It is likely to energize Democrats in Congress to bring health reform across the finish line."

In January, the landmark health-care legislation that seemed poised to pass was scuttled with the election of a Republican to fill the Massachusetts Senate seat held for decades by a Democrat, the late Edward M. Kennedy. The loss of the seat denied the Democrats their filibuster-proof, 60-seat supermajority and gave Republicans enough votes to block most legislation.

Democratic lawmakers have been trying to decide whether to try to push through legislation with a simple majority of 51 votes in the Senate by using the budget reconciliation process, which prohibits the use of a filibuster.

Health reform legislation would be enacted through a two-step process. First, the House

would pass the Senate bill and send it to the president for his signature. Then, an additional bill would be passed by the Senate and House through the reconciliation process that would modify the Senate bill so that it reflects the changes proposed by the president.

With that scenario as a backdrop, Obama sought to recapture the debate by posting his own health-care bill on the White House Web site this week. The plan, which would cost just under \$1 trillion over the next decade, would expand health insurance to 31 million uninsured Americans, reduce the federal budget deficit by \$100 billion in the next 10 years and take steps to rein in soaring medical costs, according to the proposal.

The plan is similar to the Senate bill, including mandates that everyone buy insurance, prohibitions that keep insurers from denying coverage because of preexisting conditions and the creation of health insurance exchanges to foster competition.

There are, however, some notable new elements, including a proposal to give the federal government and state insurance regulators the ability to reject "unreasonable and unjustified" premium increases. The timing might be right for such a measure, Pollack said.

News reports last week revealed that Anthem Blue Cross, California's largest insurer, was hiking premiums by up to 39 percent on individual health insurance plans. The insurer said it was forced to do so because the economy was prompting many

younger, healthier participants to drop their coverage, leaving them with too many older, sicker participants on their rolls. The company has since agreed to postpone the increases for two months while the matter is reviewed.

"Regulating premiums won't do anything to reduce the soaring costs of medical care," Karen Ignagni, president and chief executive of America's Health Insurance Plans, an industry group, said in a statement. "This would be like capping the prices automakers can charge consumers but letting the steel, rubber and technology manufacturers charge the automakers whatever they want."

Other provisions in Obama's plan include increased subsidies to low- and moderate-income families to buy insurance and gradually closing the so-called "doughnut hole" in Medicare drug coverage. Medicare stops paying for prescriptions after the plan and beneficiary have spent \$2,830 on prescription drugs and starts paying again only after out-of-pocket spending hits \$4,550.

The plan also would retain a tax on high-cost, employer-sponsored insurance policies but would delay its implementation until 2018 -- and then only under a higher threshold, \$27,500 for family plans.

Obama's proposal also would provide additional funding to states to expand their Medicaid rolls and would do away with the controversial deal granted to Nebraska that would have had the federal government paying the full cost for that state's new Medicaid enrollees.

There would be no government-run plan -- the so-called public option -- nor would employers be required to provide insurance. However, businesses with 50 or more employees whose workers need public subsidies to buy insurance on their own would pay assessments for not doing so.

Republicans have been vocal in their opposition of wholesale reform, with some charging that the reforms are too expensive and too bureaucratic. Devon Herrick, a health economist with the National Center for Policy Analysis in Dallas, said that a dramatically scaled back reform effort -- such as a uniform tax credit that could be used for purchasing insurance, the ability to buy insurance across state lines and insurance portability, or the ability to maintain health insurance after leaving a job -- would better serve the nation.

"If the president's proposal were to become law, it could substantially restrict the type of health plans Americans would have access to," Herrick said.

Many organizations disagree. The American Nurses Association, American Heart Association, American Diabetes Association, Consumers Union, Families USA and Service Employees Union International, among others, sent a letter to congressional leaders urging the enactment of "meaningful health-care reform."

"If we fail to pass health reform, premiums will skyrocket, millions will join the ranks of the uninsured, small businesses will drop health coverage, people will continue to be denied coverage as a result of preexisting conditions, seniors will face a larger and larger gap in prescription drug coverage," Pollack said. "The cost of doing nothing is enormous."

As for the public, many Americans favor some sort of reform, but there is wide disagreement and even confusion on what form it should take. A poll by Harris Interactive/HealthDay earlier this month found that half of Americans want some kind of health reform in the next two years, but about 40 percent were not in favor of the legislation proposed by the Democrats.