



Health reform debate heats up

August is typically the hottest month in many areas of the country. August heat is also noticeable in the rhetoric on health reform. The House and Senate are both on summer recess and will start up again on September 8. Just before the House adjourned, they passed a version of health reform legislation out of the Energy and Commerce Committee. The Blue Dog Democrats had successfully held up legislation for weeks citing problems with the cost of the bill. Four of the seven conservative Democrats on the committee voted in favor after changes were made to the bill decreasing the price tag mainly by increasing the number of small employers exempt from employer mandates and allowing the government to negotiate lower drug prices with the savings to go toward reducing premiums. The public plan option offered in the exchange also would not be based on Medicare prices paid to providers.

The Senate spent one more week in session than the House but did not complete a markup in the Senate Finance Committee. They are moving forward on a bipartisan bill with six senators spending a lot of time at the negotiating table. Chairman Baucus of Montana, Sens. Conrad of North Dakota and Bingaman of New Mexico for the Democrats, and Sens. Grassley of Iowa, Enzi of Wyoming and Snow of Maine for the Republicans. They will continue to meet during the recess and are said to be close to an agreement. They continue to agree that they will not accept a government option to compete with private insurance companies and go with a co-op plan that is owned by the members instead. The Business Roundtable, including the National Chamber of Commerce, recently came out in favor of the Finance Committee plan without even knowing all the details and stated that it would definitely be better than the House plan or the Senate HELP plan that was recently passed out of committee. CA also supports the co-op plan, and we are holding meetings in Washington to work toward more support for that instead of a government plan that is in the House and one Senate bill. To help with the CA effort we have just completed an e-mail poll of some CA members that strengthens our position. I am including a press release with this memo talking about the poll.

There was heated rhetoric from both sides this last week. One of the most damaging statements came from Speaker of the House Pelosi who called insurance companies villains that were making immoral profits. That statement undid a lot of work over the last few months between the administration and health insurance companies that had

agreed on several main ingredients of a health reform plan including covering everyone with no pre-existing conditions if there was an individual mandate for everyone to buy health insurance. The Washington Post ran an editorial Sunday admonishing the speaker for her statements. The conservative right has been heating up the rhetoric as well. They have been spreading fear by calling the House bill a road to euthanasia and telling seniors that Medicare prices will go up astronomically.

Town hall meetings held by congressmen in their districts over the recess have been disrupted by angry participants for the most part against the House bill and fearful of a government takeover of the health care system. Democrats say that the protestors are plants by Republicans, but in spite of some not coming from local areas, many are truly upset constituents that are fearful of the unknown consequences of a government option. Several labor unions have mounted efforts for pro-government option rallies. The Obama administration launched a new Web site this week to serve as a fact checker on claims about health reform.

All of this still comes down to votes in Congress. If a bill is going to appear on President Obama's desk, there will have to be a melding of the three versions of HR3200 in the House and a blending of the passed Senate HELP bill and a finished Senate Finance bill in the Senate. Then there will have to be a Conference Committee to join together the House and Senate bills and finally pass in both houses again before it goes to the president. So you can see that a lot of give and take still has to happen. It can be done but it won't be pretty.

Thanks,
Wayne