

Sources: Senators weigh 3 government health plans

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President Barack Obama finishes his remarks during an unannounced visit to a Spanish language town hall meeting on the H1N1 swine flu virus, Friday, May 8, 2009, in the Eisenhower Executive Office building on the White House complex in Washington. (AP Photo/Charles Dharapak)

(AP) -- Senators are considering three different designs for a new government health insurance plan that middle-income Americans could buy into for the first time, congressional officials said Friday. Officials familiar with the proposals said senators plan to debate them in a closed meeting next week. The officials spoke on condition of anonymity because details of the controversial plans have not been released.

Creating a public plan is one of the most contentious ideas in the debate over how to overhaul the nation's [health care system](#) to cover the uninsured and try to restrain costs.

President [Barack Obama](#) and many Democrats say a government option would serve as a check to keep the private insurance industry honest.

Insurers fear the government would use its power to drive them out of business. And Republicans call a public plan in the legislation a dealbreaker, dashing hopes for bipartisan legislation for overhauling the health insurance system. Employer groups are also opposed.

The three approaches being discussed are:

- Create a plan that resembles Medicare, administered by the Health and Human Services department.
- Adopt a Medicare-like plan, but pick an outside party to run it. That way government officials would not directly control the day-to-day operations.
- Leave it up to individual states to set up a public insurance plan for their residents.

But many key details would still have to be fleshed out.

Among them is whether the public plan would be open to everyone, or be limited to small businesses and individuals purchasing coverage on their own.

Also, would the plan reimburse medical providers at discounted Medicare rates or the higher fees that private insurers pay? And would it be financed by tax dollars, or entirely from premiums?

Senators on the Finance Committee will consider the proposals during a closed-door session scheduled for late next week. Committee leaders want to bring a bill to the Senate floor this summer. It's unclear whether

a public plan in any form will emerge from Congress.

Citing surveys that show most seniors are happy with Medicare, Democrats say they believe that a public plan would be a political winner. But Republicans counter that it would be a step toward a government-run system in which medical services sooner or later would be rationed.

The majority of Americans now get [health insurance](#) through private insurers, about 170 million people in all. Most of them are enrolled in employer-sponsored plans.

A recent report by the Lewin Group, a numbers-crunching firm that serves government and private clients, found that a new government plan could radically alter that landscape - or maybe not.

It depends on the design.

If the public plan were open to all employers and individuals - and if it paid doctors and hospitals the same as Medicare - it would quickly grow to 131 million members, while enrollment in private insurance plans would plummet, the study found.

By paying [Medicare](#) rates the government plan would be able to set premiums well below what private plans charge. Employers and individuals would rush to sign up.

But the results would be far different if the government plan was limited to small employers, individuals and the self-employed.

In that smaller-scale scenario, the public plan would get from 17 million to 43 million members, the study said. It found that a government plan could be effective in reducing number of uninsured.

Lewin is a subsidiary of UnitedHealthcare, the nation's largest health insurer. The consulting firm says it makes its own judgments, however. Its work is used by groups on all sides of the health care debate, including supporters of a public plan.

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