

GOP senators: Bipartisan health deal tougher now

June 4 2009, By ERICA WERNER , Associated Press Writer

(AP) -- Republican senators say chances of reaching a bipartisan deal to overhaul health care dimmed after President Barack Obama issued a letter strongly supporting a new public health insurance plan.

A public plan that would compete with private insurers is opposed by nearly all Republicans. Until Wednesday, the administration had been treading lightly on the issue while emphasizing hopes for a bipartisan bill.

That changed when Obama released a letter to two key Senate Democrats saying he believed strongly in the need for a new public plan.

Senator Mike Enzi of Wyoming, top Republican on the Senate's health committee, said Thursday that the letter hurts prospects for a bipartisan deal. Other Republican senators made similar comments.

THIS IS A BREAKING NEWS UPDATE. Check back soon for further information. AP's earlier story is below.

WASHINGTON (AP) - President [Barack Obama](#) says he's open to requiring all Americans to buy health insurance, as long as the plan provides a "hardship waiver" to exempt poor people from having to pay.

Obama opposed such an individual mandate during his campaign, but Congress increasingly is moving to embrace the idea.

In providing the first real details on how he wants to reshape the nation's [health care](#) system, the president urged Congress on Wednesday toward a sweeping overhaul that would allow Americans to buy into a government insurance plan.

Obama outlined his goals in a letter to Sens. Edward Kennedy, D-Mass., and Max Baucus, D-Mont., chairmen of the two committees writing health care bills. It followed a meeting he held Tuesday with members of their committees, and amounted to a road map to keep Congress aligned with his goals.

"The plans you are discussing embody my core belief that Americans should have better choices for health insurance, building on the principle that if they like the coverage they have now, they can keep it, while seeing their costs lowered as our reforms take hold," Obama wrote.

Obama has asked the House and Senate each to finish legislation by early August, so that the two chambers can combine their bills in time for him to sign a single, sweeping measure in October. In a statement Baucus welcomed the assignment.

"I will stop at nothing to deliver a health reform bill that works for families and businesses to the president this year," Baucus said.

Covering 50 million uninsured Americans could cost as much as \$1.5 trillion over a decade, and cost is emerging as a major sticking point. Obama didn't offer new solutions to that problem in his letter Wednesday but did say he'd like to squeeze an additional \$200 billion to \$300 billion over 10 years from the Medicare and Medicaid government insurance programs for the elderly, disabled and poor.

He said he'd do it through such measures as better managing chronic diseases and avoiding unnecessary tests and hospital readmissions.

Savings from such measures are uncertain.

Medicare benefits cost the federal government about \$450 billion a year and Medicaid about \$200 billion. Obama already has targeted the programs for some \$300 billion in cuts over 10 years in the 2010 budget he released in February.

He also said he's open to congressional proposals to let an independent commission identify cuts to Medicare which would take effect unless Congress rejected them all at once, similar to how military base closures are handled.

The president said he supports a new health insurance exchange that Congress is crafting, a sort of marketplace that would allow Americans to shop for different plans and compare prices.

All of the plans should offer a basic affordable package, and none should be allowed to deny coverage to people with pre-existing conditions, Obama said - big changes from how private insurance companies operate today.

"I strongly believe that Americans should have the choice of a public health insurance option operating alongside private plans," Obama wrote, weighing in firmly on one of the most controversial issues in the debate. "This will give them a better range of choices, make the health care market more competitive and keep insurance companies honest."

Republicans strongly oppose a public plan, as do private insurers, who contend it would drive them out of business.

"A government-run plan would set artificially low prices that [private insurers](#) would have no way of competing with," Senate Minority Leader Mitch McConnell said Wednesday on the Senate floor.

The idea of what Obama called a "hardship waiver" for individual Americans too poor to buy care splits the difference between where he was during the presidential campaign and where Congress appears to be heading.

In the campaign, Obama did not support requiring everyone to buy insurance, putting him at odds with then Democratic rival Hillary Rodham Clinton. Congress is looking at doing so. The hardship waiver idea is under consideration by the Senate Finance Committee, which also is considering giving tax credits to certain individuals so they can afford health care. Kennedy and House Democrats are looking at giving subsidies to the poor to help them buy coverage.

The letter didn't address the issue of taxing health care benefits. Obama opposed that during his campaign but Congress is now considering it, and Obama hasn't shut the door on it.

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