

Senators dig in on massive health care legislation

June 17 2009, By ERICA WERNER , Associated Press Writer



Senate Banking Chairman Sen. Christopher Dodd, D-Conn. greets health care professionals at the end of a news conference on health care reform, Tuesday, June 16, 2009, on Capitol Hill in Washington. (AP Photo/Susan Walsh)

(AP) -- Eye-popping new cost estimates for President Barack Obama's plan to overhaul the U.S. health care system are forcing majority Democrats to scale back their plans to subsidize coverage for the uninsured.

The \$1 trillion-plus estimates came ahead of the Senate Health, Education, Labor and Pensions Committee's scheduled meeting Wednesday to begin work on a bill encompassing Obama's legislative priority.

Big holes remain on the most contentious issues in the bill by the

committee's chairman, Sen. Edward Kennedy, D-Mass.: a new public insurance plan to compete with the private market, and whether employers must provide health care for their workers.

Kennedy is suffering from brain cancer and was not expected to be present. But his deputy on health care, Sen. Christopher Dodd, D-Conn., said the committee would move forward anyway with a session to finalize and vote on a bill he said would provide "successful, affordable, quality health care."

The committee was scheduled to meet daily through next week.

Disagreements over costs and other issues hung up another key committee, the Senate Finance Committee, which has a more moderate makeup than Kennedy's panel and is considered Congress' best hope for producing a bipartisan bill.

The Finance Committee was supposed to produce a draft Wednesday. But the Chairman, Sen. Max Baucus, D-Mont., said that wouldn't happen and the bill would come out "when it's ready" - later this week or next. His committee was supposed to start voting next week.

Majority Democrats in the House could make their bill public this week, with committee votes after Congress returns from its July 4 recess.

Negotiations were roiled Monday by an analysis from the Congressional Budget Office that said Kennedy's bill would cost about \$1 trillion over 10 years but leave 37 million people uninsured, compared with 50 million who are uninsured now.

And on Tuesday a cost estimate for the Finance Committee bill became public: \$1.6 trillion. Senators quickly huddled on ways to bring down costs, with Baucus insisting the final price tag on his committee's bill

would be around \$1 trillion.

At Kennedy's committee, officials said that after penciling in subsidies for families with incomes as high as \$110,000, or 500 percent of the federal poverty level, they would limit the help to families up to \$88,000 in income, or 400 percent of the poverty level.

The emerging Finance Committee bill also cuts off subsidies to help people buy insurance at 400 percent of the poverty level, but Baucus told reporters a reduction was "a live option." There were indications the final cutoff would be closer to 300 percent of poverty - \$66,000 for a four-person family.

Major cuts in Medicare and Medicaid will pay for some of the new costs but senators disagreed among themselves over whether to tax employer-provided health benefits - something Obama campaigned against. Also elusive was a compromise with Republicans on a new public insurance plan, which the GOP opposes.

The emerging bills envision a new insurance market "exchange" where people could go to shop for insurance coverage, helped by federal subsidies. Individuals will almost certainly be required to obtain coverage.

Business groups were working overtime to soften any requirement for employers to provide coverage for their employees or face fines. Most large employers already offer [health care](#), but senators are looking at requiring certain levels of care, so businesses fear a scenario in which the government would force them to offer more or different coverage than they already do.

"We're concerned that the plan requirements will be so robust that our members' plans won't meet those requirements," said Jeri Kubicki, the

National Association of Manufacturers' vice president for human resources policy.

Also Wednesday, four former Senate leaders - Democrats Tom Daschle and George Mitchell and Republicans Bob Dole and Howard Baker - were releasing a \$1.2 trillion proposal that would cover everyone and be fully paid for with a combination of spending cuts and tax increases.

AP Special Correspondent David Espo and Associated Press writer Ricardo Alonso-Zaldivar contributed to this report.

On the Net:

Senate Finance Committee: <http://help.senate.gov/>

Senate Health, Education, Labor and Pensions Committee:
<http://help.senate.gov/>

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