

# White House frames health care as economic problem

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FILE - In this March 31, 2009 file photo, Senate Health, Education, Labor and Pensions Committee Chairman Sen. Edward Kennedy, D-Mass., listens to remarks on Capitol Hill in Washington. (AP Photo/Susan Walsh, File)

(AP) -- A Senate chairman who will have a major role in writing health care legislation said Tuesday he hopes to convince President Barack Obama that taxing some employer-provided benefits will help control escalating costs.

Senate Finance Committee Chairman Max Baucus, D-Mont., faces a hard sell. During his campaign for president, Obama ruled out taxing health benefits provided by employers.

"I know that's an issue we have to work out with the president, but I think it's an issue we will work out," said Baucus, who is among several

Senate Democrats scheduled to meet with Obama Tuesday afternoon.

Baucus says the tax-free benefit packages Americans now enjoy are a big factor in the high costs of the country's [health care system](#), because they provide workers free or low-cost access to too many health care services.

The senator's recommendation came at a White House event where Obama advisers released a new economic report that links fixing the economy with overhauling the costly U.S. health care system.

Obama is pushing Congress to enact sweeping health legislation this year to hold down costs and provide health coverage for 50 million uninsured Americans.

White House officials argue that overhauling the health care system is key to turning around the economy.

The report by the White House Council of Economic Advisers says that health care costs - now about 18 percent of the gross domestic product - will rise to 34 percent in 30 years if left unchecked, wreaking havoc on the federal deficit, businesses and working Americans.

"Health care reform is incredibly important not just for the American people but for the American economy," said Christina Romer, chairwoman of the Council of Economic Advisers. "Good health care reform is essentially good economic policy."

Critics were quick to dismiss the report.

"Everyone agrees that reducing the cost of health care would benefit our economy, but the administration hasn't offered a credible plan to do so without raising taxes or rationing care," said House Minority Leader

John Boehner, R-Ohio.

Obama and his advisers have consistently sought to link health care and the economy, and they've begun turning up the volume as Congress returns from a weeklong recess.

On Monday, a coalition of industry groups submitted proposals to the White House they said would reduce the growth of their own costs by 1.5 percent a year, consistent with Obama's goals.

Obama wants legislation that would hold down costs, guarantee choice and extend coverage to the 50 million Americans who don't have it now.

Two Senate committees are crafting legislation: the Health, Education, Labor and Pensions Committee led by Sen. Edward M. Kennedy, D-Mass., and the Senate Finance Committee, chaired by Baucus.

The Democrats on Kennedy's committee were meeting Tuesday for a first look at an outline of Kennedy's plans. It wasn't clear if Kennedy, who has been diagnosed with brain cancer, would be present.

Neither committee has released a full bill yet. Both have circulated proposals and differences have emerged, leading Kennedy and Baucus to issue a joint statement over the weekend promising to work together.

Majority Democrats in the House and the Senate want to bring the legislation to the floor by August.

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