

House Dems unveil health bill

October 29 2009, By DAVID ESPO , AP Special Correspondent



Rep. John Dingell, D-Mich., left, and House Speaker Nancy Pelosi of Calif., hold a gavel during a news conference about health care, Thursday, Oct. 29, 2009, on Capitol Hill in Washington. (AP Photo/Alex Brandon)

(AP) -- Cheered by President Barack Obama, House Democrats rolled out landmark legislation Thursday to extend health care to tens of millions who lack coverage, impose sweeping new restrictions on the insurance industry and create a government-run option to compete with private insurers.

But even as party leaders pointed toward a vote next week, there were fresh questions that went to the heart of their ambitious drive to remake the nation's [health care](#) system.

Congressional budget experts predicted the controversial government [insurance](#) option would probably cost consumers somewhat more than

private coverage. At the same time, rank-and-file conservative Democrats sought additional information about the bill's overall impact on federal health care spending.

There was no official estimate on the total cost of the legislation, which ran to 1,990 pages. The Congressional Budget Office said the cost of additional coverage alone was slightly more \$1 trillion over a decade. But that omitted other items, including billions for disease prevention programs.

Yet another \$230 billion or more in higher fees for doctors treating Medicare patients, included in an earlier version of the bill, was stripped out and will be voted on separately.

The measure "covers 96 percent of all Americans, and it puts affordable coverage in reach for millions of uninsured and underinsured families, lowering health care costs for all of us," boasted Speaker Nancy Pelosi, D-Calif., at a ceremony attended by dozens of Democratic lawmakers. She spoke on the steps of the Capitol, not far from where Obama issued his inaugural summons for Congress to act more than nine months ago.

Pelosi said the legislation would reduce federal deficits over the next decade by \$104 billion, and congressional budget experts said it would probably reduce them even further over the following ten years

While saying they expected a vote next week, Democratic leaders were careful not to claim they had yet rounded up enough votes to pass the legislation. Still, the day's events capped months of struggle and marked a major advance in their drive - and Obama's - to accomplish an overhaul of the health care system that has eluded presidents for a half-century.

Across the Capitol, the Democratic-controlled Senate is expected to

begin debate within two weeks on a bill crafted by Majority Leader Harry Reid, D-Nev. It, too, envisions a government-run insurance option, although states could opt out, unlike in the bill the House will vote on. That portion of the Senate version appears likely to be weakened even further, as moderates press for a standby system that would not go into effect until it was clear individual states were experiencing a lack of competition among private companies.

Obama called the House legislation "another critical milestone in the effort to reform our health care system."

Republican reaction was as swift as it was negative. "It will raise the cost of Americans' health insurance premiums; it will kill jobs with tax hikes and new mandates, and it will cut seniors' Medicare benefits," said the party's leader in the House, Rep. John Boehner of Ohio. He carried a copy of the 1,990-page measure into a news conference to underscore his claim it represented a government takeover of the health care system.

Republicans have already signaled their determination to make the health care debate a key issue in next year's congressional elections, when all 435 House seats will be on the ballot.

But their ability to block passage in the current House is nonexistent as long as Pelosi and her leadership can forge a consensus among the Democratic rank and file. The party holds 256 seats in the House, where 218 makes a majority.

Broad in scope, the House Democrats' bill attempts to build on the current system of employer-provided health care. It would require big companies to cover their employees and include federal subsidies to help small companies provide insurance for theirs, as well. Most individuals would be required to carry insurance, and much of the money in the legislation is dedicated to subsidies for those at lower incomes to help

them afford coverage.

For those at even lower incomes, the bill provides for an expansion of Medicaid, the state-federal health program for the poor. Adults up to 150 percent of poverty - individuals making up to \$16,245 and a family of four up to \$33,075 - would be covered, a provision estimated to add 15 million to Medicaid.

One of the bill's major features is a new national insurance market, in which private companies could sell policies that meet federally mandated benefit levels, the government would offer competing coverage and consumers could shop for the policy that best met their needs.

In a bow to moderates, Democrats decided doctors, hospitals and other providers would be allowed to negotiate rates with the Department of Health and Human Services for services provided in the government insurance option.

Liberals had favored a system in which fees would be dictated by the government, an approach that would have been less costly than what was settled on, and also would have moved closer to a purely government-run health care system than some Democrats favor.

The Congressional Budget Office said the result would be fees comparable to those doctors receive from private insurers. But for consumers, government-backed plans "would typically have premiums that are somewhat higher than the average premiums for private plans" sold in competition. As a result, it said enrollment would be only about 6 million.

Conservative Democrats known as Blue Dogs reacted to the overall CBO analysis by asking whether the bill would reduce the long-term rate of

growth in federal spending. They noted the agency had said last summer that an earlier version would fail to do so, and they said they wanted updated answers "in order to make an informed decision."

Thursday's bill includes an array of new restrictions on the private insurance industry, in addition to forcing insurers to compete with the federal government for business.

Firms would be banned from denying coverage on the basis of pre-existing medical conditions and limited in their ability to charge higher premiums on the basis of age.

They would be required to spend 85 percent of their income from premiums on coverage, effectively limiting their ability to advertise or pay bonuses. Additionally, the industry would be stripped of immunity from antitrust regulations covering price fixing, bid rigging and market allocation. And in a late addition to the bill, 30-year-old restrictions on the Federal Trade Commission's ability to look into the insurance industry would be erased.

In response, the industry's top lobbyist, Karen Ignagni, issued a statement containing a somewhat milder version of criticism than recently unleashed against the Senate's version of the legislation. "We are concerned" the House bill will violate assurances that individuals would be able to keep their insurance if they like it, she said. She said it would be responsible for "increasing health care costs for families and employers across the country and significantly disrupting the quality coverage on which millions of Americans rely today."

Ignagni added that the presence of a government-run insurance plan "would bankrupt hospitals, dismantle employer coverage, exacerbate cost-shifting from Medicare and Medicaid and ultimately increase the federal deficit."

While [Democrats](#) touted new benefits for seniors, the bill relies on more than \$400 billion in cuts from projected Medicare spending over the next decade. Much of the money would come from the part of the program in which private companies offer coverage to seniors.

The bill's other major new source of revenue is from a proposed income tax surcharge of 5.4 percent on wealthy earners, individuals making at least \$500,000 a year and couples \$1 million or more.

The [legislation](#) includes other taxes, such as a 2.5 percent excise tax on the makers of medical devices, expected to raise \$20 billion over a decade.

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Citation: House Dems unveil health bill (2009, October 29) retrieved 2 May 2024 from <https://medicalxpress.com/news/2009-10-house-dems-unveil-health-bill.html>

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