

Healthcare Update - September 2009

News from Washington, D.C.

September 2009

- The annual August congressional recess is upon us, and this year's month away from Washington, DC is proving to be a crucial period in the Democrats' quest to overhaul the nation's healthcare system. The majority party is working to stay in control of President Obama's top legislative priority, and to bolster the public's opinion that their ideas will be most effective in increasing access to health insurance. Republicans, on the other hand, have been hard at work trying to reframe the debate – citing the pitfalls of government-controlled healthcare, as well as their fear that Democrats are moving much too quickly on a proposal that will affect nearly one fifth of the economy.
- With the initial goal of having legislation passed by both the House and the Senate before the August break a distant memory, Congress now looks ahead to September as the make-or-break month for healthcare reform.
- In the House, the Democrats' healthcare reform bill advanced through the committee process by the end of July, following a contentious markup in the Energy and Commerce Committee. The legislation – H.R. 3200 – is focused on expanding health insurance access via a government-run public insurance option, individual and employer mandates to obtain and provide coverage, and a tax increase on those making more than \$250,000 in order to finance the expansion of coverage.
- Although the bill enjoyed relatively smooth sailing through two other House committees with jurisdiction over healthcare issues, it hit a snag in the Energy and Commerce Committee, where a powerful group of conservative Democrats (known as Blue Dogs) had a large enough presence on the committee to insist on substantial changes to the bill.
- Healthcare leaders in the House are expected to iron out differences between each committee's bill over the August break, and a vote on the House floor is expected in September. Despite the majority party's strength of 256 Members, striking a balance that gives Democrats the 218 votes they need for passage could prove tricky. Water down the moderate Energy and Commerce Committee amendment, and leaders risk losing a substantial portion of the 52 member Blue Dog caucus. Stray too far from the bill's original robust government-run public plan option, and the more liberal factions of the party may abandon ship.
- The Senate faces a similar dilemma. In July, the Health, Education, Labor and Pensions (HELP) Committee approved healthcare reform legislation similar to the House's bill without a single Republican vote. Meanwhile, the Senate Finance Committee has spent months attempting to produce legislation that will attract some Republican support, so that the bill can receive 60 votes on the Senate floor – the magic number necessary to prevent a filibuster. An agreement has proved elusive thus far, as the committee grapples with the difficult task of coming up with an estimated \$1 trillion to pay for healthcare reform, as well as alternatives to the government-run public insurance option.
- Reports suggest that the Finance Committee has until September 15 to produce a bipartisan agreement. After the 15th, it is anticipated that the committee will move forward on a bill without Republican support, combine that product with the HELP Committee bill, and bring legislation to the Senate floor through the budget reconciliation process – a controversial move that only requires 51 votes for passage and would prevent a Republican filibuster.