

NEWSSTAND

Healthcare Update: Last Week in D.C.: The Healthcare Reform Debate

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Last Tuesday's stunning Republican victory in Massachusetts left the future of healthcare reform legislation uncertain, at best. After the game-changing Senate special election, Democrats spent the week assessing the damage and working to figure out a path forward on their top legislative priority.

A REFERENDUM ON HEALTHCARE REFORM?

Earlier this month, Republican Scott Brown's campaign to fill the Senate seat of the late Edward M. Kennedy (D-MA) was seen as a long shot in a state that had not elected a Republican to the U.S. Senate in nearly 40 years. However, a well-run campaign and a late surge of momentum allowed Brown to pull off the unthinkable when he handily defeated his opponent, state Attorney General Martha Coakley, in Tuesday's special election.

The results – which gleeful Republicans immediately hailed as a referendum on Democrats' ongoing efforts to enact comprehensive healthcare reform legislation – robbed the Democratic caucus of the 60 vote supermajority it has needed to pass any healthcare bill. As the crucial 41st Republican vote, Brown dissolved Democrats' filibuster-proof majority and threw their agenda into an unexpected state of disarray.

Though Democrats were quick to counter that the election results were not so much a referendum on healthcare as a general expression of dissatisfaction with the nation's economy and unemployment numbers, as the week progressed they appeared to heed the special election's warning to slow down on healthcare reform. From President Obama to House and Senate leaders to rank-and-file moderates and liberals, Democrats cited the need to let the dust settle and calmly reassess public opinion and their options for moving forward on the hot-button legislative issue.

NEW OPTIONS

Before Brown's victory, Democratic leaders were holed up behind closed doors, hammering out a compromise between the House healthcare reform bill (H.R. 3962) and the Senate bill (H.R. 3590). Given that any compromise bill would have to return to the Senate for final approval before reaching President Obama's desk, Tuesday's loss of the 60th Democratic vote effectively closed the door on those negotiations.

Once the President and other key Democrats made clear that they will not try to ram a compromise bill through the Senate before Senator-elect Brown is seated, the majority party

appeared to have several options at its disposal in order to complete work on healthcare reform in the coming weeks.

In the first widely-discussed plan, the House would pass the Senate bill without any changes, negating the need for another Senate vote and sending it directly to President Obama's desk. Congressional leaders could then package agreed-upon changes to the Senate bill into another bill and pass that using the budget reconciliation process – a procedural maneuver that only requires 51 votes for Senate passage. While initially viewed as the best option by many Democrats, on Thursday House Speaker Nancy Pelosi (D-CA) stated that she did not have the 218 votes within her caucus to pass the Senate legislation as is, due to widespread and varied opposition to specific provisions in H.R. 3590.

By the end of the week, momentum appeared to be gathering for a scaled back approach. Speaker Pelosi stressed the possibility that the House could move on a less comprehensive healthcare bill containing the more politically popular portions of its original bill. Rank-and-file Democrats conveyed a similar message, citing a piecemeal approach that could include provisions such as accountability for private insurance companies, a so-called “bill of rights” for patients, and medical malpractice reform.

WHAT'S NEXT?

Congress and the nation will hear from President Obama this Wednesday evening during his widely anticipated State of the Union address. Originally the goal date for completion of healthcare reform legislation, the address will now serve as a chance for the President to recalibrate his agenda and retool his message to the American public – an effort that is largely expected to focus on jobs and the economy. In addition, the President will likely lay out a scaled back healthcare agenda that could incorporate measures he pressed for late last week, including steps to decrease healthcare costs, insurance buying pools and not allowing insurers to deny coverage due to pre-existing conditions.

Meanwhile, House and Senate leaders will continue to seek a new path forward on healthcare, in an effort to salvage at least some part of the legislative priority they spent an overwhelming amount of time and political capital on throughout the past year.

At this point, healthcare reform's end game is anything but clear, and we will continue to monitor this extremely volatile situation and bring you timely and relevant updates as new developments occur.

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