

Healthcare Update: Last Week in DC: The Healthcare Reform Debate

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Following a week of intense negotiations and dramatic committee votes, the healthcare reform debate took a considerable breather last week in Washington, DC. The House began its five-week recess, and the Senate wrapped up work with an agenda that did not include healthcare reform. Off the Senate floor, the Finance Committee continued its closed-door bipartisan negotiations, and President Obama hosted the entire Senate Democratic Caucus at the White House to provide his party with a healthcare pep talk. Back in their home districts, House Democrats began to get a taste of what the long recess may bring, as several town hall-style meetings were disrupted by loud, critical protests.

SENATE NEGOTIATIONS CONTINUE:

The Senate Finance Committee's negotiations continued throughout the week, as the bipartisan "group of six" continued to seek common ground reach a consensus on healthcare reform legislation. Finance Committee Chairman Max Baucus (D-MT) and his fellow negotiators have generally been reluctant to discuss details of their progress, with the Chairman often repeating that "nothing is agreed to until everything is agreed to."

Despite this reluctance, details did emerge on several Medicare and Medicaid provisions during the Committee's final pre-recess week of negotiations. Chairman Baucus cited the group's support for a new entity to help control skyrocketing Medicare spending, called the Medicare Preservation Commission. This independent body would have the authority to set Medicare payment policy that could not be overturned except by a vote in Congress. The establishment of such a commission would mark a significant change from current policy, in which the Medicare Payment Advisory Commission (MedPAC) makes recommendations on payment policy but relies on Congress to turn those recommendations into law – a step that often never happens.

In addition, the Finance Committee also spent time hammering out the details of an expansion of the Medicaid program. The bipartisan negotiators are reportedly seeking to cover more low income individuals and families by increasing Medicaid eligibility to 133 percent of the federal poverty level, but are struggling to remain cognizant of the financial burden such an expansion could place on many states' budgets, due to the fact that Medicaid is a shared federal-state program.

As the Senate prepared to leave town, Chairman Baucus indicated that member-level talks could continue through the August recess, although it is unclear when or where those discussions may occur and what might be accomplished.

Negotiations are expected to kick back into high gear when the Senate returns from August recess, with reports suggesting 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 already approved Senate Health, Education, Labor and Pensions (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.

OBAMA RALLIES HIS TROOPS AT THE WHITE HOUSE:

On Tuesday, the entire Senate Democratic Caucus gathered at the White House for what amounted to a pep talk and pep rally on healthcare reform. During the luncheon, President Obama stressed unity within his caucus, and the need for continued progress on his top domestic policy priority. The President sought to ensure that Democrats were all on the same

page going into the August recess, as they prepared to defend their healthcare reform proposals against well-coordinated criticism from Republican lawmakers, in addition to outside groups.

With regard to criticism from outside groups, organizations such as Conservatives for Patients' Rights have been coordinating protest efforts at town hall meetings hosted by Democratic lawmakers to discuss healthcare reform. Since the House began its recess a week ago, many such meetings have been successfully disrupted by vocal protestors and hecklers, and these efforts show no signs of stopping in the coming weeks.

NEXT STEPS:

Republicans will spend the month of August trying to reframe the healthcare reform debate – expressing concerns that the Democrats' overhaul plans will put America on a slippery slope toward a government take-over of healthcare, as well as their fear that the majority party is moving too quickly on a proposal that will affect nearly one fifth of the economy. Democrats will be busy warding off these arguments, defending their ideas, and trying to convince a skeptical nation that their healthcare proposals will be the most effective way to rein in ballooning costs and increase coverage to the nearly 47 million uninsured.

Due to the August recess, this weekly advisory will resume when Congress returns to session the week of September 8.

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