

NEWSSTAND

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

February 16, 2010

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The two major snowstorms that struck Washington, DC last week brought business on Capitol Hill to a near standstill, as the House cancelled all votes for the week and the Senate conducted limited business. As a result, Democrats headed into the first congressional recess of 2010 with little progress to report on their retooled jobs agenda, and no substantive breakthroughs on their stalled healthcare reform efforts.

REACTIONS TO HEALTHCARE SUMMIT ANNOUNCEMENT:

After President Obama stated his intention to convene a bipartisan healthcare summit at the White House on February 25, both parties issued guarded responses to the nationally televised announcement. Democrats reacted with tepid support for the President's latest push to revive healthcare reform, though they immediately stressed that they have repeatedly tried to work with Republicans to no avail.

Republicans also responded warily, generally noting that they would participate, yet stressing that the summit must have pre-negotiated ground rules to ensure that the talks are not simply a political stunt designed to benefit the White House and put Republicans on the defensive. The minority party also renewed its call to throw out current healthcare reform legislation and start from scratch, though the President and other top Democrats have stated they have no intentions of doing so.

Though the extent of the progress – if any – that could be made during the February 25 summit is not yet clear, what is evident from President Obama's announcement is that substantive developments will likely not occur on healthcare reform until March, at the earliest.

NEXT STEPS:

Upon returning from the President's Day recess the week of February 22, the House will begin its strategy of moving a series of smaller, popular healthcare measures in a piecemeal manner. Originally slated for consideration last week but delayed by the inclement weather, the first of such efforts will be legislation to remove longstanding antitrust exemptions for health insurance companies – a provision that was included in the House's original healthcare reform bill.

Behind the scenes, Democratic leaders will continue to seek a consensus on a path forward on comprehensive reform, with some optimistic aides expressing hope that a deal could be

completed by Easter. It must be noted, however, that this outlook is not widely shared, given the complexities surrounding the current political climate.

At this point, it is largely agreed that the only way a large scale healthcare overhaul could occur would be through the use of the controversial budget reconciliation process, though the details of such a strategy are far from finalized and the process is riddled with potential complications. Despite this uncertainty and the current congressional recess, we continue to monitor ongoing discussions and speculation, as Congress and the White House attempt to revive their sidelined priority.

The Healthcare Reform Legislation ultimately adopted may affect many segments of the healthcare industry, including providers and suppliers, insurers, educational institutions, pharmaceutical and medical device companies, as well as employers and other constituencies within the healthcare industry at large. We will be releasing further advisories addressing the impact of the legislation on specific practice areas and industries when it becomes final.

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Should you have any questions on the content of this advisory, or wish to discuss any other healthcare related issue, please contact those listed below or call the Edwards Angell Palmer & Dodge LLP attorney responsible for your affairs.

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