

NEWSSTAND

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

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[Leslie J. Levinson](#), [Edward Eynon](#)

It was a relatively quiet week for healthcare on Capitol Hill, as Senate leaders and anyone with a stake in the health reform debate waited with bated breath for the Congressional Budget Office (CBO) to release a cost estimate for the Finance Committee's bill. Democratic leaders in the House also had an eye on the situation in the Senate, while simultaneously continuing to negotiate with Members in order to reach a consensus on their reform legislation.

SENATE FINANCE COMMITTEE SET TO VOTE:

After nearly a week of anticipation, the non-partisan CBO released its cost estimate, or "score", of Senate Finance Chairman Max Baucus's (D-MT) healthcare reform bill on Wednesday afternoon. According to the CBO, the legislation would cost \$829 billion over 10 years and would reduce the deficit by \$81 billion over that same time period. In addition, the proposal would expand health insurance coverage to 94 percent of the under-65 population.

The CBO score was good news for Chairman Baucus, as it more than met President Obama's goal to produce a bill under \$900 billion. It also would reduce the deficit by more than originally expected. This development provided critical momentum to the Senate's healthcare reform efforts and set the stage for the Finance Committee to vote on the bill -- an action that is scheduled to occur today, October 13.

Some had hoped the vote would occur last week, so that Majority Leader Harry Reid (D-NV) could immediately get to work combining the Finance measure with the already-approved Senate Health, Education, Labor and Pensions (HELP) Committee bill, in order to bring one single piece of legislation to the Senate floor for a vote. However, Chairman Baucus agreed to delay the Finance Committee vote until today in order to give his Members adequate time to absorb and review the CBO analysis. This move was largely seen as a way to appease Senator Olympia Snowe (R-ME) -- the only Committee Republican whose vote is considered in play at this point.

As mentioned in previous reports, the Finance Committee proposal is significantly more moderate than the HELP Committee bill, with the most notable difference centered on the question of whether or not to create a government-run public insurance option in order to increase healthcare coverage. The HELP Committee included a strong version of the public option, while the Finance Committee opted for the establishment of non-profit medical cooperatives in order to expand coverage.

This difference will likely be the biggest sticking point for Majority Leader Reid and his fellow Democratic leaders, as they attempt to strike a balance and assemble a final bill that can amass 60 votes on the Senate floor – the magic number necessary to prevent a Republican-led filibuster. The exact approach to be taken during this delicate blending process remains unclear, as does the question of whether Democrats will ultimately resort to the controversial parliamentary tactic of budget reconciliation – a procedure that would allow the Senate to approve a modified healthcare bill by a simple 51 vote majority.

HOUSE NEGOTIATIONS CONTINUE:

Across the Capitol in the House of Representatives, Democratic leaders have been in near-constant negotiations in order to reach a consensus on H.R. 3200 – their chamber's healthcare reform bill. Speaker Nancy Pelosi (D-CA) has been trying for weeks to produce a piece of legislation that will be able to garner the 218 votes necessary for passage in the House, and she remains coy over providing a specific timetable for when a bill might move to the floor.

Similar to the Senate, the most contentious provisions of H.R. 3200 revolve around the public option. However, unlike the Senate, it is all but certain that some form of the government-run program will be included in the final House bill. The question that remains is how “robust” H.R. 3200’s public option will be. Liberal Democrats prefer a public option with reimbursement rates tied directly to the Medicare program, while many moderate Democrats have indicated they will only support one in which rates are negotiated directly with healthcare providers (similar to private insurers). Additionally, a “trigger” option in which the public insurance plan would be implemented only if private insurers fail to adequately increase healthcare coverage has been floated. This possibility is also being considered in the Senate, where Senator Snowe has voiced support for the trigger.

Speaker Pelosi has reportedly sought cost estimates from the CBO on these three variations of the public option, the results of which could help determine how the provision is written in the final version of H.R. 3200.

NEXT STEPS:

Should the Senate Finance Committee vote occur as planned today, some key Senate aides have indicated that the Finance-HELP merger could be complete by the end of the week, with floor debate beginning the week of October 19. This prediction is optimistic and relies on the process running smoothly – something that may not occur given the fact that each side is dug in on its support for or opposition to the public option.

Behind the scenes negotiations will continue in the House, where achieving a consensus on healthcare reform also depends largely on an agreement being reached on the controversial government-run option.

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Les Levinson, Partner, Chair, Healthcare Practice 212.912.2772

llevinson@eapdlaw.com

Teddy Eynon, Partner, Public Policy &
Government Relations

202.478.7379

teynon@eapdlaw.com