

NEWSSTAND

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

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As Members of Congress returned home last week to discuss the new healthcare reform law with their constituents, President Obama put the finishing touches on the process by signing a package of healthcare corrections into law. Meanwhile, Health and Human Services (HHS) Secretary Kathleen Sebelius wasted no time in announcing her department's intent to clarify potentially confusing language in the new law.

PRESIDENT SIGNS RECONCILIATION BILL:

President Obama signed into law the second piece of his healthcare overhaul last Tuesday – the reconciliation bill that makes revisions to the larger healthcare bill (Public Law 111-148) that he signed the week of March 22. As previously noted, the reconciliation bill will soften the excise tax on high-cost “Cadillac” health insurance plans and will increase subsidies for lower-income individuals and families who will be required to buy health insurance under the new law.

In a shift away from healthcare, the President spent the majority of the signing ceremony touting the less-discussed provisions of the reconciliation bill – those that will overhaul the student loan system by making the federal government the sole originator of loans for postsecondary education and by capping repayment of loans at 10 percent of a new borrower's income. In addition, the legislation will increase the number and dollar amount of Pell grants provided to lower-income students.

SPOTLIGHT SHIFTS TO HEALTH & HUMAN SERVICES:

HHS Secretary Sebelius spent time last week informing health insurance companies that when her department begins to write regulations to implement portions of the new healthcare law this year, it will explicitly prohibit insurers from excluding coverage to children beginning in September. This step marks an effort by HHS to end recent controversy over confusing legislative language in Public Law 111-148 that some have noted contains a potential loophole that may allow insurers to deny coverage for children with pre-existing conditions.

NEXT STEPS:

We continue to closely monitor HHS and other relevant federal agencies as they begin work on implementation of the complex healthcare law and will provide timely updates as notable developments occur.

Edwards Angell Palmer & Dodge LLP is pleased to provide regular updates on issues affecting the Healthcare industry. Our lawyers not only provide sophisticated legal services to a broad array of clients in the healthcare industry, we also monitor and analyze federal and state legislative and regulatory processes to ensure that our clients are informed of government actions and initiatives.

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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