NEWSSTAND

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

March 29, 2010 Leslie J. Levinson, Edward Eynon

Healthcare reform's long and often bumpy journey through Congress came to a close last week, as President Obama signed into law the 2,000+ page legislation that will overhaul the nation's healthcare system. Simultaneously, the Senate worked to clear a package of corrections to the new law via the budget reconciliation process, changing it ever so slightly and sending it back to the House for one final vote.

PRESIDENT SIGNS HEALTHCARE BILL:

On Tuesday, supporters of Democrats' healthcare reform efforts – including House, Senate and Administration Members, in addition to other attendees of a symbolic nature, including the late Senator Edward Kennedy's wife, Vicki – gathered at the White House to watch President Obama sign healthcare reform legislation into law (Public Law 111-148).

SENATE AND HOUSE APPROVE FINAL CORRECTIONS PACKAGE:

Back on Capitol Hill, the Senate spent the week debating and ultimately passing the package of fixes to PL 111-148 that House Democrats insisted upon when they agreed to send the comprehensive legislation to President's desk. As previously discussed, such corrections included Medicaid enhancements and fairness provisions, additional affordability credits, and a delay on a new tax on high cost health plans, and were sent to the Senate using the budget reconciliation process. Under reconciliation's complex rules, the legislation – which, in addition to healthcare provisions included an overhaul of the federal student loan system – was protected against a filibuster and could win approval by a simple majority vote, as opposed to the 60 votes Democrats would normally need (and no longer had) to pass legislation.

Republicans acknowledged that there was little their party could do to stop or change the legislation substantially, but they worked to offer a variety of amendments that had little chance of passing, in addition to working to use the complicated rules governing the reconciliation process to try and make minor changes that would not alter the scope of the legislation, but would force another vote in the House. Republicans were successful on two accounts, finding small provisions that the Senate Parliamentarian agreed should be stricken from the bill because they violated the strict reconciliation rules.

The package won approval in the Senate on Thursday afternoon, by a vote of 56-43, with three moderate Democrats joining all present Republicans in opposing the legislation. Due to the aforementioned minor changes, the legislation then moved back to the House for final approval, which came Thursday evening by a vote of 220-207.

The reconciliation bill was then sent to the White House, where President Obama is expected to sign the legislation into law on Tuesday.

NEXT STEPS:

The formal legislative process has reached its conclusion, but we will continue to closely monitor the issue of healthcare reform, as the action now moves to the federal agencies to carry out the monumental task of implementing the new law. The Department of Health and Human Services will run the majority of such efforts, many of which need to be completed in the next six months – such as new rules to allow dependents to remain on their parents' insurance plans until the age of 26.

We will also continue to follow the efforts of the President and Members of Congress on both sides of the aisle as they craft their messaging strategies toward voters in advance of November's midterm elections. Further, we will keep an eye on attempted legal challenges to the new law, as several states continue to question its constitutionality.

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.

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.

Les Levinson, Partner, Chair, Healthcare Practice

Teddy Eynon, Partner, Public Policy & 202.478.7379

Government Relations

212.912.2772

llevinson@eapdlaw.com

teynon@eapdlaw.com