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HCSC GOVERNMENT RELATIONS HEALTH CARE REFORM BULLETIN

Nov. 13, 2009: This Week in Health Reform

Federal Legislative Overview

Senate

Former President Bill Clinton visited Senate Democrats on Capitol Hill this week, urging them to quickly pass health care reform by the end of the year. While we have yet to see how the Senate will proceed with its health care reform legislation, Clinton's "ask" highlights his own failings in passing health care reform in the mid-1990s. Senate Leadership continues to work pulling its final merged bill together and Majority Leader Harry Reid (D-NV) says that he will introduce the legislation on the Senate floor the week of November 16th.

Under Senate rules, a sixty-vote majority is required to move the bill forward before official debate can begin. It is likely that Democrats will receive the sixty-votes needed to move the bill to the Senate floor, but it remains to be seen whether Reid has the full sixty votes to overcome a filibuster for bill's official passage. Reid is still aiming to pass the legislation by the Christmas holiday.

House

Last Saturday, November 7th, the House of Representatives passed its health care reform legislation, the "Affordable Health Care for America Act" (H.R. 3962), by a vote of 220 to 215, mainly along party-lines. Thirty-nine Democrats voted against the bill and one Republican voted for it - Joseph Cao (R-LA) - a member from a fairly Democratic district. Reps. Dan Boren (D-OK), Harry Teague (D-NM) and Chet Edwards (D-TX), all members of HCSC's delegation, voted against the legislation.

Controversial issues such as abortion and immigration were addressed towards the end of debate on Saturday. While legislative language did not include significant changes with respect to immigration, the issue of abortion proved to be a lightning rod for the bill's passage. Pro-Life advocate, Rep. Bart Stupak (D-MI), included an amendment stipulating that insurers selling plans through the Exchange could not offer policies covering elective abortion procedures to people who receive federal subsidies for premiums. The Stupak amendment can be found at http://politics.theatlantic.com/2009/11/stupak_on_the_stupak_amendment.php

Overview: Medicare Payroll in Senate Health Care Reform Legislation

The Senate's health care reform legislation has still not yet been unveiled, but there are reports that an analysis from the Congressional Budget Office has found the bill to be more costly than expected, so Senate Democrats are already considering new ways to pay for the bill.

One of the options is an increase to the Medicare portion of the payroll tax on individuals making \$250,000 or more. Currently, workers and employers each pay a 1.45 percent payroll tax for Medicare and the new proposal would increase that to 2.5 percent payroll tax bracket for those making \$250,000 or more.

By including this new approach, it would allow the Senate to either reduce or eliminate altogether the controversial excise tax on "Cadillac" or high-cost insurance plans, passed in the Senate Finance Committee's bill last month. Under legislation (S 1796) approved by the Senate Finance Committee, individual insurance plans costing more than \$8,000 and family plans costing more than \$21,000 would face a 40 percent excise tax on any amount above that level.

As the Senate rolls out its health care reform in the upcoming weeks, HCSC Government Relations will continue to keep you abreast of all of the proposed "pay-fors" in the bill.



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