

**LETTER FROM WASHINGTON No 27**

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## **The Senate gets down to work**

Congress is back after the Thanksgiving break, and this week most attention is on Obama's pronouncements on Afghanistan. However over in the Senate chamber, what promises to be several week's of debate, amendments and endless use of procedural and delaying tactics is underway on the health care reform bill.

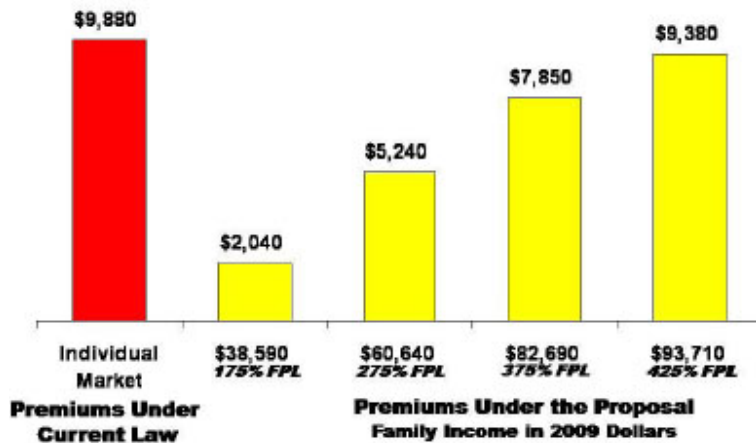
Democrats and Republicans opened the historic debate on Monday as deeply at odds as they have been for months on Democrats' key national priority. Democrats face the task of marshaling needed votes within their own ranks that Republicans will seek to peel away, particularly on contentious issues such as the public option and abortion.

Senate Majority Leader Harry Reid said that "the next weekends, plural, we will be working" because there is "not an issue more important than finishing this legislation." Said Reid: "The next few weeks will tell us a lot about whether senators are more committed to solving problems or creating them."

Also this week the Congressional Budget Office (CBO) released their analysis of the impact of the legislation on the future cost of health cover purchased through the insurance exchanges established under the Senate bill. CBO reports are often written pretty elliptically, and this one is no exception, so it is no surprise that the different sides have different interpretations of what CBO said.

However the CBO analysis is good news for Democrats. Premiums would stay about the same for people with group coverage, while falling significantly for most of those in the small-group or individual markets.

## Premiums for a Family of Four Under the Senate Plan



Because of the new regulations in the bill, the cost of providing a specified amount of coverage for people buying insurance on their own would actually go down by 7 percent to 10 percent. The report calls that analysis the “apples-to-apples” comparison, and it seems likely that Democrats will latch on to that figure and others to argue that their proposals will make insurance more affordable for Americans. The report also concludes that administrative costs would decrease.

The first voting stoush will be over an amendment to extend preventive health care benefits for women. Republicans are invoking the recent brouhaha over mammograms and already the Right to Life groups have come out against the amendment, despite the fact that it makes no changes to current law. It’s hard to know what issue is coming next, as the Republicans are refusing to make their amendments public before they are introduced.

Still, compared to what is happening in the Coalition caucus rooms in Canberra this week, it all looks like business as usual. And – importantly – progress towards a final bill for the President to sign is being made.