

LETTER FROM WASHINGTON #3

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PROGRESS IN HEALTH CARE REFORM

Yesterday morning the Senate Health, Education, Labor and Pensions (HELP) Committee voted on final passage of the health reform bill sponsored by Senator Chris Dodd; the bill was approved by 13 to 10, with votes along party lines.

In their deliberations, which lasted 13 days (Senator Dodd didn't know if this is a record, but said that it was certainly close to one) the Committee considered over 200 amendments and accepted 111, from a total of over 700 amendments, almost all offered by Republicans.

President Obama said that yesterday's committee vote "*should make us hopeful but it can't make us complacent. It should instead provide the urgency for both the House and the Senate to finish their critical work on health reform before the August recess.*"

Both David Axelrod, Obama's chief political strategist, and Rahm Emanuel, White House Chief of Staff, have said taking a partisan route to enacting major health-care legislation isn't the President's preferred choice. But the White House consensus is that getting health reform done will not be held hostage to the need for a bipartisan approach.

It is insightful to look at what the Republicans are trying to do with this legislation and compare that to their rhetoric on health care reform. They claim they have ideas to put on the table for consideration but reject a bipartisan approach; they have alternatively stated the urgent need for health reform and then were deliberately obstructionist in HELP Committee mark-up, arguing and debating endlessly as part of a delaying strategy that they and their pollsters publicly acknowledged.

Republican amendments offered in the HELP Committee would undermine current employer-based health cover and Medicaid, ensure that middle-class Americans get no subsidies to help with the cost of insurance cover, and do nothing to tackle increasing costs of both insurance and health care.

This culminated in Senator Coburn's offer of the Patients' Choice Act (PCA) as a substitute for real health care reform. In a true indication that the Republicans are bereft of new ideas, this fatally flawed bill is a recycled version of Senator McCain's election commitment. Moreover, the Republicans have yet to release CBO costings on this bill.

It is no surprise that the American public have rejected this approach, which eliminates the tax break that employers receive for providing health insurance benefits to their workers. This bill would undermine employer-provided insurance, which most

Americans who have it are anxious to continue, and instead provide an annual tax credit that would not cover even half the cost of the average family's health insurance premiums.

Republicans on the HELP Committee have boosted this plan and personalized it in multiple hypothetical situations. But this denies reality: their proposal ignores the higher premiums faced by people with existing illnesses, who are older or who live in states with higher medical costs and are likely to find premiums still out of reach.

For example, unlike employer-provided insurance cover, individual insurers in most states can exclude people with pre-existing conditions directly by denying them coverage or indirectly by charging them exorbitant premiums. Currently employers insure 62 percent of all adults with chronic illness, some 56 million Americans. Even if these people could find health insurance in the market, data suggest that their premiums would be as much as 50 percent higher.

At the same time, the Republicans are implacably opposed to the public insurance option, which will help keep insurance premiums affordable, and the expansion of Medicaid to enable sick and low-income adults access to affordable cover. Two-thirds of the 45 million uninsured are low-income individuals (below 200% of the poverty level) who do not have access to employer-provided cover and cannot afford or access private cover through the individual market.

They have rejected the idea of community rating and a raft of other measures which will begin to tackle the high costs of health care and address discrimination on the basis of chronic illness and pre-existing conditions and limitations on treatment imposed arbitrarily.

The Republican opponents of reform are not just sitting idly by as our current system continues to unravel – they are speeding up the process! We can expect more of the same in the House of Representatives and the Senate Finance Committee, where mark-up of health reform legislation begins today.