

***Health Reform Weekly Update***  
***Alabama Appleseed***  
***June 19, 2009***

This has been a busy week on Capitol Hill. An important event this week was the release of the Congressional Budget Office's (CBO) cost estimate of the Senate HELP committee bill (the Kennedy Bill). The CBO's estimated price tag for the HELP bill is \$1 trillion dollars over ten years, and the estimate suggests that the bill would leave many Americans uninsured. It is important to note, however, that the CBO estimate considered only certain aspects of the bill and did not take into consideration the effect of such measures as an individual mandate or the spending cuts proposed for Medicare.

Nevertheless, the CBO estimate has created quite a stir on the Hill and has led to a contentious, largely partisan division between supporting Democrats and skeptical Republicans. Some lawmakers have also criticized plans to create a public insurance option saying such an option would be too costly and cover too few people. However, in a conference call late on Thursday (6/18), Senator Chris Dodd (D-CT), the Senior Member and de-facto leader of the HELP Committee in Kennedy's absence, stated that despite recent pushback against a public option the HELP Committee remains committed and optimistic about including a public option plan in the final bill. Many believe that such a public option would be important in reducing the overall costs of reform and in providing affordable premiums. Senator Dodd said that the HELP Committee is currently marking-up/editing the bill and will continue to do so through the end of next week before the July 4<sup>th</sup> recess.

Additionally, estimates by CBO on an early draft of the Senate Finance Committee's reform bill projects costs at approximately \$1.6 trillion over ten years. These estimates, along with the heightened rhetoric over the CBO numbers on the HELP Committee's bill, has caused the Senate Finance Committee to slow their efforts, altering their initial timeline. Members of the Finance Committee now believe that a formal introduction of the committee's proposal will not occur until after the July 4<sup>th</sup> congressional recess.

In addition to what has been happening on the Hill, a new reform plan has been circulated by former Senators Tom Daschle (D-SD), Bob Dole (R-KS) and Howard Baker (R-TN). The proposal dubbed, "Crossing Our Lines," is an offering that the former Senators suggest will provide a health reform framework with appeal to both Democrats and Republicans in Congress. A major highlight of the proposal is that it has an initial estimated cost of \$1.2 trillion, but it purportedly will become budget neutral within ten years. Another provision of the proposal suggests placing a limit on individuals' out-of-pocket payments for insurance premiums at 15% of income, a level that many experts believe is still well beyond the reach of low-to-moderate income individuals and families. Other highlights of the plan appear below:

**Crossing Our Lines: A Bipartisan Health Reform Proposal**

- Tax credits limit out of pocket individual premium contributions to 15% of income
- Establishment of regional health exchanges that would provide several options for individual health insurance
- Public Plan Option:
  - States would have the choice to create a public plan option within regional health

- exchanges
- Public plans would be required to compete with private insurers on a 'level playing field'
  - Elimination of pre-existing and medical condition limitations on obtaining insurance
  - Tax credits for small businesses providing health benefits
  - Limited fees for employers not offering health benefits (a pay-or-play type model)

### ***Summary on Status of Senate Proposals:***

#### **Senate HELP Committee Bill:**

- The HELP Committee's bill faced major partisan roadblocks this week after the release of the CBO's cost estimate of the proposal.
- The mark-up session for the bill began Thursday (6/18). The HELP Committee will do mark-ups for half a day on Friday, and will continue marking-up the bill all of next week.

#### **Senate Finance Committee Proposal:**

- The Senate Finance Committee has decided to "slow things down" and has delayed most committee action until after the July 4<sup>th</sup> Congressional recess.
- Committee members did say that, as part of their revenue/funding proposal, they are considering taxing higher cost employer-provided benefits such as plans with yearly premiums greater than \$17,000.