

Alabama Appleseed Health Reform Update July 10, 2009

Congress appeared to be in a bit of a holding pattern this week as Senate and House Committees with jurisdiction over healthcare continued the painstaking process of marking-up and revising their reform bills. President Obama and his staff worked to reach a deal with hospitals that would produce a revenue source for reform efforts and reduce payments to hospitals over a period of ten years. Meanwhile, Alabama congressional leaders have reached out to state health experts, small and large business stakeholders, and their constituents to obtain input on how to formulate healthcare reform that benefits citizens of Alabama.

Hospitals Agree to \$155 Billion in Payment Cuts

Hospital industry executives have joined forces with Congress and the President in a deal to cut costs. Major hospital groups reached a deal on Monday to concede \$155 billion dollars in payment cuts over the next ten years. The agreement was made after a conversation at the White House about the industry's "shared responsibility" to compromise for reform and a promise that cuts to Medicaid and Medicare payments and decreased subsidies for care of the uninsured would coincide with the number of uninsured obtaining health insurance. The agreement is contingent upon the passage of healthcare reform legislation that will significantly decrease the number of uninsured Americans. The agreement states that as the number of uninsured individuals decrease, so too does the amount hospitals are reimbursed for Medicaid and Medicare patients. The White House and Senate Democrats view the agreement as a major victory in the push to obtain major industry support.

HELP Committee Reduces Cost of Bill, Identifies New Source of Funding

Last Thursday (July 2nd), the Senate Committee on Health, Education, Labor, and Pensions (HELP) received a new cost scoring from the Congressional Budget Office (CBO) that estimates a decrease in the cost of the HELP bill. The CBO scored the bill at an estimated \$611.4 billion – a substantial reduction from the initial estimate of \$1 trillion over ten years. The reductions came from lowering the subsidy ceiling (formerly 500% FPL) to individuals with incomes up to 400% FPL. The bill also includes a new penalty called an "equity assessment." The penalty calls for a \$750 annual fee on employers for each full-time worker not offered coverage through their job. The fee would be set at \$375 for part-time workers. Under the proposal, companies with fewer than 25 employees would be exempt. The fee was forecast to generate \$52 billion over 10 years. The cost estimate includes the creation of a government-run public option as well as an individual mandate.

<http://www.kaiserhealthnews.org/Daily-Reports/2009/July/02/HELP-Bill.aspx?referrer=search>

Senator Baucus Continues Quest for Bipartisan Bill

Senator Max Baucus (D-MT), the Chairman of the Senate Finance Committee, is continuing his quest for a bipartisan bill from his committee. Some Democrats have become increasingly critical of Senator Baucus' efforts to meet the demands of Republicans and conservative Democrats. Some have suggested that while Baucus may gain a few Republican supporters for his efforts, he might also lose the support of even more Democrats. Despite the criticism, Senator Baucus remains committed to his goal and is optimistic that a bipartisan agreement can be reached.

Congressmen Griffith and Davis Attend Alabama Meetings on Healthcare Reform

Alabama Appleseed and Arise Citizen's Policy Project hosted a town hall meeting on healthcare reform with U.S. Congressman Parker Griffith (D-5th) last Thursday (July 2nd) at the U.S. Space and Rocket Center in Huntsville. The meeting drew about 200 people from Huntsville and the surrounding areas. Congressman Griffith gave opening remarks highlighting the need for reform and then opened the floor to constituents for questions and concerns. The crowd was quite vocal and engaged, and questions ranged from those about single-payer options to the propriety of government involvement in healthcare. At one point, Congressman Griffith noted that he supported a government-run public option only if the option had no unfair market advantages over private insurers. Griffith also said he plans to introduce a bill in the coming weeks requiring members of Congress to accept the public option for their own health insurance if such a measure is passed. He also plans to introduce a bill requiring that the final version of any proposed healthcare reform legislation be available to members of Congress for review at least one week prior to a vote on the measure.

U.S. Congressman Artur Davis (D-7th) hosted a healthcare summit Monday (July 6th) at the Alys Stephens Center in Birmingham. Congressman Davis moderated the event, and a panel of 18 experts served as a sounding board for the evening. The panel represented an array of perspectives from the healthcare arena including hospital executives, representatives of small and large business, Alabama state health officials and non-profit advocacy groups. Congressman Davis opened the evening with a slide show summarizing details of the 850 page House Tri-Committee health reform bill that is currently being marked-up for a House vote. He then moderated a 45 minute discussion with the panel discussing different health reform issues. Davis particularly focused on what he characterized as the most controversial parts of proposed legislation such as the propriety of a public option. Davis then posed questions to the panel from the audience and some previously submitted to his office. Davis closed the meeting stating that he wanted input from constituents on how to improve the health system and stated that he believes the government has an obligation to provide some sort of health care platform to those that do not have access to medical care.