

This Week in Health Reform: June 22

Public Plan:

Insurers Weigh In: News this week on the public plan was shaped by reports on Tuesday of a letter to Sen. Ted Kennedy (D-MA) from America's Health Insurance Plans and the Blue Cross Blue Shield Association, [warning](#) that a government insurance plan would undermine the health care financing system.

- President Obama addressed this concern at a press conference that same day, calling a public insurance option, a necessary discipline for insurance agencies.

Public Opinion: A [poll](#) on Saturday released by the *New York Times* and CBS News suggested that most Americans favor a public health plan.

However, a [closer look](#) at these numbers reveals a different story; showing significant public concern over heavy government involvement in health insurance leading to restriction of access, and higher costs, among other issues. Few believe that it will improve the economy.

HELP Committee Markup: The Senate Health Education and Labor Committee (HELP) continued markup of the Affordable Choices Act. Sen. Chris Dodd [expressed optimism](#) that the panel would complete work on the legislation this week.

House Democrats' Plan Scored: Over on the House side, Republicans [released](#) an independent score of the Democrats' recently filed legislation that estimated the plan to cost \$3.5 trillion.

Financing the Plan:

Finance Committee Still at Work: Senators on the Finance Committee continued to work on the issue of cost, with Chairman Baucus (D-MT) setting a price tag of below \$1 trillion, as his final goal. Numerous officials say that he is roughly \$200 billion shy of reaching this achievement.

Talks with Hospitals: The Chairman is said to be [in discussion](#) with hospital representatives that would build on an \$80 billion weekend deal with the pharmaceutical industry.

- Hospitals are being asked to accept a reduction of roughly \$155 billion over the next decade in fees they are promised under government programs such as Medicare and Medicaid, according to numerous officials.

Taxing Benefits: Taxing health care benefits [remains an issue](#). The President sidestepped the question in an ABC News interview. Organized labor was quick to express its opposition to this option.

Public Plan Alternatives:

Co-Op Alternative: The co-op plan, which has begun to garner bipartisan support, hit a snag this week with [strong opposition](#) expressed by Sen. Charles Schumer (D-NY). However, according to [Sen. Kent Conrad](#), (D-N.D.), who proposed the idea, "the co-op proposal is alive and well, and

negotiations are ongoing.” In addition, Sen. Schumer and Republican moderate Sen. Olympia Snowe (R-ME) are collaborating to create a “[safety-net](#)” or “fallback” option.

Individual Mandate:

President Obama continues to [express support](#) for an individual mandate under the condition that waivers are provided for those who cannot afford coverage.

Additional Activity:

PhRMA Deal: [The pharmaceutical industry agreed to a deal](#) early this week, contributing \$80 billion over 10 years to a proposed health-care overhaul.

- An estimated \$30 billion will help pay for a new program to discount brand-name drugs for senior citizens who fall in the “doughnut hole.”
- The remaining \$50 billion will be used to offset costs to help the uninsured.

Skeptics of the deal claim that it’s unclear how much [significant scorable savings](#) would be achieved.

The First Lady: First Lady Michelle Obama jumped into the fray this week in support of a health care system overhaul, announcing the launch this weekend of a national grassroots initiative called *United We Serve*.

Governors Meet at White House: A bipartisan group of five governors completed a meeting Wednesday with President Obama where they expressed concerns over the expansion of Medicaid, and the potential that [states will be forced to pick up a large](#) portion of the tab.

Looking Ahead:

Both the House and Senate will be out of session next week for the July 4th district work period.