

This Week in Health Reform: July 9

As Congress returned to Washington after the Fourth of July Recess, the aggressive timetable set to pass bipartisan legislation by the end of the summer suffered a setback on Wednesday as key senators [expressed doubt](#) as to whether they could hammer out legislation in this short amount of time. The White House continues to push Congress to stick to its timetable.

Public Plan:

Obama Reaffirms Support for Public Option: Backing away from earlier comments made by White House Chief of Staff Rahm Emanuel indicating the government would be open to a health reform plan that did not include a public option, President Obama reaffirmed his support for a government-run plan in a [statement](#) released this week while traveling in Russia.

HELP Price Tag Drops: Sens. Ted Kennedy (D-MA) and Christopher Dodd (D-CT), who are leading the Senate Health, Education, Labor and Pensions Committee (HELP), said Thursday that they had whittled down the [cost](#) of their health reform plan to \$611 billion over 10 years. However, debate during Wednesday's mark-up session raised questions about the overall cost and suggested that when [Medicaid expansions](#) are factored in, the cost could exceed the \$1 trillion mark. The HELP committee is relying on the [Finance Committee's plan](#) to account for the additional 34 million Americans that would not be covered under the HELP proposal, including plans to [expand Medicare](#).

Financing the Plan:

Taxing Health Benefits Loses Steam: In a move indicating a rejection of bipartisan compromise Tuesday, [Sen. Harry Reid \(D-NV\)](#) sent word to Sen. Baucus (D-MT), that he should drop the concept of taxing employer-provided health care benefits, a move that would require the Senate Finance Committee to consider additional payment cuts or tax increases to offset [more than \\$300 billion](#) as a result.

Hospital Industry Agreement: Vice President Biden formally [announced](#) Wednesday that the hospital industry agreed to contribute \$155 billion over 10 years toward the cost of insuring uninsured Americans.

House Side Activity: House Democrats continue to develop their health reform proposal and are expected to release their plan to pay for health care reform by the end of this week. Democrats are focused on an income tax increase for the highest earners and are close to ruling out a proposed ["sin tax"](#) tax on sodas and other sugary drinks.

Looking Ahead:

The Senate HELP committee hopes to complete its markup by late this week or early next.

The Senate Finance Committee is still negotiating its bill and continues to mull options on how to pay for the overhaul.

The House may begin marking up legislation in Committee next week.