

This Week in Health Reform: July 1

This week is Fourth of July recess, but aggressive health care reform activity continues across the country including extensive grassroots efforts and a scheduled virtual town hall hosted by President Obama.

### **Public Plan:**

There are new developments from Sen. Ted Kennedy (D-MA) and his Health, Education, Labor and Pensions Committee (HELP). It was leaked to the press that Sen. Kennedy will introduce a [proposal](#) of a government-backed alternative to private insurance designed to pay for itself after getting federal start-up money.

- A summary of the leaked proposal says that the public plan would be part of a computer “gateway” that allows consumers to compare different plans, including private options.

***American Medical Association (AMA):*** Despite earlier Senate committee testimony against the public option this week, newly sworn in AMA President Dr. Rohack departed from the AMA’s previous position, stating that the [“AMA is open to a public option, including allowing the uninsured to buy into a system that insures federal employees and is open to non-profit cooperatives.”](#)

### **Financing the Plan:**

The UnitedHealth Group unveiled a [report](#) on Tuesday highlighting a number of ways the industry can reduce costs by \$332 billion, largely through reducing paperwork and administrative costs.

### **Public Plan Alternatives:**

***Co-Op Alternative:*** The co-op plan gained additional momentum this week as Health and Human Services Secretary Kathleen Sebelius said she’s open to the idea of a medical-insurance cooperative. “You could theoretically design a co-op plan that had the same attributes as a public plan,” she said, in a [meeting with Bloomberg](#).

### **Additional Activity:**

***Wal-Mart Backs Employer Mandate:*** On Tuesday, Wal-Mart, the nation’s largest employer announced in a [letter](#) to President Obama that the company will support an Employer Mandate, adding momentum to one of the most contentious aspects of legislation being crafted on Capitol Hill.

***AARP Memo:*** AARP sent a memo to Senate officials threatening to withdraw AARP support of the chamber’s health committee’s version of reform if it does not include another [provision related to biogeneric drugs](#). AARP is pushing for a shorter window in which name-brand drugs retain exclusive rights to sell biologics before a generic can come to market.

***Grassroots Efforts:*** The country is humming with [grassroots activities](#) in an effort to reach lawmakers during the recess. Industry leaders such as AARP, the American Medical Association, and America's Health Insurance Plans, have activated their extensive grassroots networks outside the Beltway. While some groups, including PhRMA, Health Care for America Now and [LIUNA](#) are running ads during the recess, it is expected that advertising activities will ramp up when members return to Washington.

**Looking Ahead:**

Lawmakers will return on July 6<sup>th</sup> after a weeklong recess to continue work within their committees to hammer out legislation prior to the August district work period.

Next Tuesday in Houston, Senate Republican Leader Mitch McConnell (R-KY), Sens. John McCain (R-AZ) and John Cornyn (R-TX) plan to hold a [public discussion](#) to stir up opposition to a public plan option.