

AAOMS Health Reform Summary v10-30-09

U.S. House of Representatives –

On Thursday, October 29, Speaker Nancy Pelosi (D-Calif.) unveiled the health reform package ([H.R. 3962, Affordable Health Care for America Act](#)) that is expected to be brought to the House floor in the next week. This bill is based on the work of the three House Committees with jurisdiction over health reform (Energy & Commerce, Ways & Means and Education & Labor). The CBO estimates it will cost \$894 billion over ten years and would extend coverage to 36 million Americans. This bill includes a public option that is not tied to Medicare, instead allowing hospitals and health care providers to negotiate reimbursement rates.

The bill requires 218 votes for passage. It is expected that all Republicans will vote in lock-step against the bill, requiring the support of fiscally moderate and pro-life Democrats, who have expressed concern throughout the process.

U.S. Senate –

Senate Majority Leader Harry Reid (D-Nev) is working with Senator Chris Dodd (D-Conn.), on behalf of the Senate Health, Education, Labor & Pensions (HELP) Committee, and Senate Finance Committee Chairman Max Baucus (D-Mont.) to create a single bill for floor consideration in the Senate, based on the drafts produced by the HELP and Finance Committees.

Earlier this week, Reid announced his intention to include a public option, with a provision allowing states to opt-out, in his final package. This was met with swift opposition from the only Republican Senator to have voted in favor of the Finance Committee draft, Olympia Snowe (R-Me), and Senator Joe Lieberman, an independent who caucuses with the Democrats. Moderate Democrats, including Senators Blanche Lincoln (D-Ark.), Mary Landrieu (D-La.) and Ben Nelson (D-Neb.), have also expressed concern over the inclusion of a public option. This puts Reid in a difficult position politically, as he will need the support of every Democrat to reach the required 60 votes for passage. The future timeline for the process in the Senate is unclear, as the House continues to move at a faster clip.

Medicare Physician Fee Formula/Sustainable Growth Rate (SGR) –

In an effort to keep the cost of the health reform package down and to garner support from physicians who treat Medicare patients, the Senate took up consideration of S. 1776. This bill would have adjusted the Medicare payment formula (SGR) to end the cycle of annual temporary fixes that Congress has passed in previous years to prevent physician fee cuts. This measure had a price tag of nearly \$250 billion over 10 years and there was no off-set in place. Senate Democrats hoped to keep this adjustment separate from the broader health care legislation to avoid breaking the president's promise not to pass a health reform bill that adds to the deficit. On October 21, a procedural measure to allow a floor vote on S. 1776 failed with 13 Democrats joining all Republicans in opposition.

The House is engaging in a similar tactic on SGR reform. To keep the cost estimate of H.R. 3962 below \$900 billion, the Speaker separated the provision addressing SGR reform from the health reform package to create a stand-alone bill, [H.R. 3961, the Medicare Physician Payment Reform Act of 2009](#). It is unclear whether the House will have better success passing SGR reform and whether the vote will take place before or after action on the bigger health reform package.

Anti-Trust (Repeal of McCarran-Ferguson) –

Earlier this month the House Judiciary Committee approved H.R. 3596, the Health Insurance Industry Antitrust Enforcement Act, which would repeal the antitrust exemption that was established in the 1945 McCarran-Ferguson Act for health insurance companies. Additionally, Speaker Pelosi included similar language repealing the exemption in the health reform legislation introduced on Thursday.