



Health Care Reform Update

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Since the Last Update Webinar...

- President Obama hosted a health care reform summit on Feb. 25th
 - Intended to be forum for Democrats and Republicans to openly discuss specific provisions of reform proposals
 - Discussion at summit was based on the President's Proposal for Health Care Reform
 - Released on Feb. 22

President's Proposal

- Many components based on the Senate-passed bill
- Includes Republican-supported reforms to encourage bipartisan support
- Does not include legislative language

<http://www.whitehouse.gov/Issues/health-Care>

President's Proposal

Some of the highlights:

- Medicaid Expansion: 133% of FPL, uniform 100% FFP for all states for 2014-17, 95% for 2018-19, 90% for 2020 and beyond.
- CMHCs: Calls for a new federal definition
- Medicare Part D: Closes the “donut hole” coverage gap
- CHCs: Invests \$11B

President's Proposal: Cost-Sharing

Reduced Cost Sharing: Percent of Costs Paid for by Health Insurance Plan

Income for a Family of Four		House	Senate	President's Proposal
From:	To:			
\$29,000	\$33,000	97%	90%	94%
\$33,000	\$44,000	93%	80%	85%
\$44,000	\$55,000	85%	70%	73%
\$55,000	\$66,000	78%	70%	70%
\$66,000	\$77,000	72%	70%	70%
\$77,000	\$88,000	70%	70%	70%

Ranges from 133-150% of poverty, then 150-400% of poverty in 50% increments, rounded to the nearest \$1,000

Next Steps

- President expected to announce on Wed. a pathway to passing a reform bill
 - House to pass the Senate bill
 - Senate passing a second bill via budget reconciliation
 - This bill would include “fixes” that House Democrats are requesting in order to support passage of a reform bill.

Recent public statements by Republicans suggest very little, if any, support for passage of reform as currently discussed.

Budget Reconciliation Process

- Bills considered through this process:
 - Are limited to spending and/or tax issues
 - Cannot add to the federal deficit
 - Only need 51 votes in the Senate
 - There have been 19 bills passed through reconciliation and signed into law since 1980 including:
 - The Welfare Reform Act -1996
 - CHIP - 2008
 - Tax cuts - 2001 & 2003
 - COBRA – 1985
- ** CBPP: “Using Reconciliation Process to Enact Health Reform Would be Fully Consistent with Past Practice”*

<http://www.cbpp.org/files/1-26-10health.pdf>

How it could work and some of the potential complications:

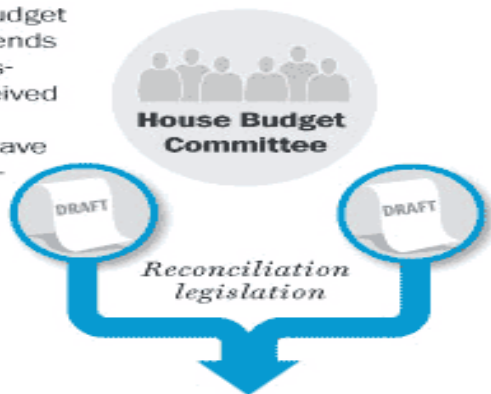
SENATE HEALTH-CARE BILL



1 The House would pass the health-care bill approved by the Senate on Christmas Eve in its entirety.

HOUSE RECONCILIATION BILL PROCESS

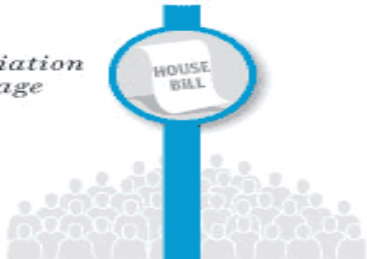
2 The House Budget Committee sends reconciliation legislation already received from two of the committees that have considered health-care legislation to the House Rules Committee unchanged.



3 The Rules Committee seeks to incorporate 11 pages of changes laid out by President Obama into a new reconciliation package.



4 The House votes on the reconciliation bill.



5 The Senate votes on the House bill, which could be passed with 51 votes. If Democrats can muster only 50 votes, Vice President Biden can cast the 51st vote.



Complications in the House

In crafting the reconciliation package, the House Rules Committee needs to:

- Limit the bill to provisions that directly affect federal spending to ensure that the package complies with the Senate's "Byrd rule." Insurance regulations cannot be included because they have an indirect effect on federal spending, whereas subsidies have a direct effect and are eligible. Policies falling into a gray area are decided by the Senate parliamentarian.
- Ensure that the changes meet an overall goal of cutting the deficit by at least \$1 billion over the next five years and do not increase the deficit in any year thereafter.

In the Senate

Although reconciliation bills are protected from filibusters, Republicans could offer unlimited amendments, extending the health-care debate indefinitely.

6 Both bills would be signed by President Obama.





Next Healthcare Reform Update Webinar

Save the Date: March 30th, 1pm EST



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