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An Update on Health Care Reform

Reform of the nation's health care financing and delivery system is clearly no easy task. Historically, health reform has proven to be an extremely complex and elusive undertaking, and it remains so today.

President Obama has made health care reform his most critical domestic priority, and while he has enunciated many principles for reform, he handed off the task of creating a legislative proposal to Congress.

A single House of Representatives' bill has been put forth, but in the Senate, two bills are expected, with one, from the Finance Committee, yet to emerge. As Senate Finance Chairman Max Baucus (D-MT) has said on more than one occasion, "All options are on the table."

Health care reform also carries with it a great deal of emotion and tends to energize bases on both the far left and far right and everything in between. Thus, the political rhetoric has seemed to undermine any semblance of bipartisanship, with the Republican party's far right conducting a not-unsuccessful campaign of half truths, outright lies, and scare tactics. This led a frustrated White House Chief of Staff Rahm Emanuel to tell *The New York Times*: "The Republican leadership has made a strategic decision that defeating President Obama's health care proposal is more important for their political goals than solving the health insurance problems that Americans face every day." Republican leaders counter that the White House has abandoned bipartisanship in the design of health reform.

Politics aside, however, Congress continues to work to try to develop a health reform package that could survive in both the House and the Senate with enough votes to win passage.

Because reform entails health care delivery changes and fiscal/taxation modifications, more than one U.S. Senate and U.S. House of Representatives committee has authority over the issue. In the U.S. House of Representatives, three committees have assigned jurisdiction over health care reform. They are the House committees on Education and Labor, Ways and Means, and Energy and Commerce, which have been working together in an unprecedented way as a single committee to develop the proposal for health care reform.

The workings of this group have become known as the "tri-committee process." On July 14, the tri-committee introduced H.R. 3200, known as America's Affordable Health Choices Act of 2009. All three committee chairmen are now working on passage of the joint bill in their individual committees, to then be followed by a vote on the full floor on the House of Representatives. While the legislative process in the House is relatively tightly controlled by the majority party, this has not been an entirely smooth review



Village Care of New York is a non-profit organization that offers comprehensive care for persons living with HIV/AIDS and for older adults with chronic and continuing care needs.

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and approval process by the Democrats in control. A group of conservative Democrats, known as the Blue Dogs, have raised significant objections over the total cost and affordability of the House's health care proposal. Coupled with opposition from Republicans, this has raised concerns over the ability of the Democratic caucus to control its members and guarantee passage of H.R. 3200.

On the Senate side, two committees have jurisdiction; they are the Senate Health, Education, Labor and Pensions Committee (HELP) and the Senate Finance Committee. Unlike in the House, the two Senate committees are employing very different and separate processes. The Senate HELP Committee, which is chaired by Edward Kennedy (D-MA) has already drafted and passed out of committee their own legislation, titled the Affordable Health Choices Act. This is not entirely surprising, considering that Kennedy has long desired major health care reform change. In the 1970s, Senator Kennedy was advocating that the nation move to a single-payer health care system. The HELP Committee approved the Affordable Health Choices Act strictly along party lines, and immediately afterward, the leading Republicans on the committee held a press conference to denounce the bill.

All eyes are now on the Senate Finance Committee, where Baucus has been working painstakingly with Republicans to craft a bipartisan health care reform bill. This process has been extremely slow, and while the Committee was expected to introduce a bill weeks ago, nothing is forthcoming at this time. The Finance Committee's effort may be the last hope for a bill that has support among members of both parties, which may prove critical to passage.

Finance Committee ranking member Chuck Grassley (R-IA) has expressed doubt that the committee can come up with a plan that would win support from but a handful of Republican Senators, even if it contained all the provisions he personally wants. Nonetheless, Grassley said he believes Congress should keep working in the hope of achieving a plan that can win widespread support.

Provisions of Health Reform Proposals

What exactly is on the table? What is being proposed, and by whom? What do persons living with HIV and HIV services providers, seniors and others, have to gain (or lose) from the options that have been made available?

For persons living with HIV/AIDS, the House tri-committee and Senate HELP Committee proposals offer

the promise of providing comprehensive and consistent health care coverage across the nation including: The option of a public plan that consumers may choose; the elimination of pre-existing condition clauses from plans; the elimination of premium amounts based on health status; subsidies for individuals with incomes up to 400 percent of poverty level to assist with premiums; a prohibition on plans from disenrolling or denying coverage because of health status, and expansion of Medicaid eligibility to all low-income individuals. In many states, low-income HIV-positive individuals do not qualify for Medicaid until they have an AIDS diagnosis. Both proposals offer the promise of expanding Medicaid to include everyone who is low-income, regardless of health status. It would essentially eliminate what is known as the categorical eligibility requirements (such as cancer, pregnancy, AIDS, etc.) for Medicaid and leave income as the primary criteria for qualification. All of the above listed components, should they be enacted, would be a significant benefit for many, if not all persons living with HIV/AIDS.

Support for these proposals among the HIV community has been very strong. Recently, a letter was sent to the White House signed by over 80 organizations showing support for the government-run health care option and the expansion of Medicaid eligibility. The Federal AIDS Policy Partnership, a broad-based coalition of HIV service providers, has been actively promoting on Capitol Hill key components of both plans that would be beneficial to persons living with HIV/AIDS.

For HIV service providers, especially those operating community health centers, both the House tri-committee and the Senate HELP plans include provisions that would require insurers to have community health centers as part of their in-network providers. The Senate HELP Committee version of the bill also has a significant prevention and wellness component, including the provision of grants targeted to community health centers. In addition, for HIV health care providers that have been challenged with providing uncompensated HIV care, these plans should offer relief as consumers become covered.

One downside to the House tri-committee plan is that cost-containment provisions include significant reductions in Medicare reimbursement for home health care, nursing homes, inpatient hospital care and other Medicare provider services. For organizations such as Village Care that provide skilled residential nursing care for persons living with AIDS and a substantial home care program for those with HIV, as well as a full complement of residential and community services for older adults, reductions in Medi-

care reimbursement are likely to undercut staffing and services.

For those receiving Medicare benefits, cuts in reimbursement would impact delivery of services, especially for those with expensive, intensive needs. As health reform proposals move along in Congress, seniors, persons with disabilities and others need to pay careful attention to any cost-containment provisions and their potential deleterious impact on services.

The Debate: Key Proposals & the “Public Option”

Opponents to the plans have raised several major objections, focusing primarily on the cost and how they will be financed. The Congressional Budget Office predicts costs (Medicaid expansion and premium subsidies) exceeding \$1 trillion over 10 years. In turn, objections have been raised to some of the revenue-raising options that are on the table, including a millionaire’s tax and a tax on plans offering “golden Cadillac” health care plans that encourage over-use of health care.

For some business-oriented groups and legislators, requirements mandating that employers offer health care coverage are being viewed as “job killer” provisions that will discourage employers from hiring. Even the liberal-based Center of Budget and Policy Priorities has raised concerns that the employer mandate provisions may discourage the hiring of low-income and disabled workers. At the same time, many supporters of reform view this provision as a key component to expanding coverage and that it will help ensure that employers will not drop coverage, resulting in the transfer of the costs of health insurance to the taxpayer through government subsidies to those without coverage.

Perhaps the most widely controversial component that is under consideration would be the creation of a government-run public insurance option. There are those who view this as a strategy for “socialized medicine” and express fears that it would eventually lead to a single-payer system similar to Canada or the United Kingdom. Essentially, they argue that the government plan will crowd out private insurance plans, which would eventually disappear.

President Obama initially addressed this in a letter to Senators Kennedy and Baucus, saying, “I strongly believe that Americans should have the choice of a public health insurance option operating alongside private plans. This will give them a better range of choices, make the health care market more competi-

tive, and keep insurance companies honest.” More recently, however, there have been strong indications that the White House is distancing itself from support for a so-called “public option.” And this, in return, has drawn some rebuke from certain Democrats who continue to champion a public option. For example, Representatives Anthony Weiner and Eliot Engel, said in a release: “For there to be any kind of effective reform to our broken health care system, there must be a robust public option at a bare minimum.”

It’s estimated that some 50 million Americans are without health insurance, and health care reform, particularly through the public option, promises to provide wider access to health insurance coverage, and promote more rational and efficient use of health care resources.

One alternative presented to a public option is the idea of non-profit health cooperatives competing with private plans. Many members of Congress are withholding judgment on this idea, but articles appearing in The New York Times have raised questions about the ability of such cooperatives to get off the ground and compete for clients and providers in many markets, especially less-populated areas where often one plan overwhelmingly dominates.

Meanwhile, The Washington Post issued an editorial saying that for the sake of passing health care reform, it was time to drop the public option.

HIV advocates are pushing strongly for inclusion of a public option and the expansion of Medicaid eligibility.

A number of articles and online publications can summarize the details of the proposal before Congress. Some of these reports can be found at the Kaiser Family Foundation, <http://www.kff.org>, the Commonwealth Fund, <http://www.commonwealthfund.org> and Families USA, <http://www.familiesusa.org>. A chart from The Washington Post summarizes major components of each plan: <http://www.washingtonpost.com/wp-srv/special/nation/health/compare-health-plans-2009>.

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