

Critical Senate Finance Committee Vote Expected Tuesday; Snowe Undecided

The eyes of the nation will be on Maine's Senior Senator, Olympia J. Snowe, tomorrow (Tuesday) as the Senate Finance Committee is expected to vote on America's Healthy Future Act of 2009, the comprehensive health care reform proposal offered by Committee Chair Senator Max Baucus. The proposal gained some momentum this past week with the release of a report by the independent Congressional Budget Office (CBO) indicating that the proposal would cost \$829 billion over the next decade and cover 94% of all eligible Americans. Senator Snowe asked for a delay in the vote until Tuesday in order to give her and her colleagues a chance to examine in detail the CBO report. She has not yet indicated whether she will support the proposal, but she has been successful in several committee votes in amending the original language in order to move the proposal to a point where she may be comfortable with it.

The CBO report also indicated that the legislation as proposed by Sen. Baucus and amended during the mark-up process would reduce federal deficits by \$81 billion over the next decade and probably lead to "continued reductions in federal" red ink in the years beyond.

The report boosts the odds that the bill will receive favorable Committee action leading to efforts by Senate Democratic leadership to merge the bill with an alternative proposal passed by the Senate Health, Education, Labor and Pensions Committee. Once that process is complete, the merged bill would be the subject of debate and vote in the full Senate where 60 votes would be required to overcome any filibuster by opponents of the proposal. On the House side, House Speaker Nancy Pelosi will begin to merge the proposals passed through three different House committees and begin debate on the House floor within the next month.

The SFC bill is largely in line with President Obama's call for an overhaul of the delivery and financing system. But, the bill does not include a "public" option or an employer mandate. The bill would require all individuals to purchase health insurance, beginning in 2013. But, the penalty for not being insured was pared back significantly during the committee's mark-up so that the maximum penalty is now \$750 annually per family. Subsidies would be provided to those individuals and families who can not afford to purchase coverage.

There are several provisions in the SFC proposal that the AMA and other medical organizations will be seeking to change in the coming weeks as the proposals are considered by the House and Senate and then if successfully reconciled and passed in both bodies, sent on the President for his signature. Among the most significant problems with the bill are the following:

- Increased penalties for physicians not participating in the Medicare PQRI program.
- The establishment of an independent Medicare Advisory Commission with authority to set payment rates under requirements to reduce Medicare expenditures.
- A limited one year fix to the sustainable growth rate (SGR) formula, providing for a one year increase of 0.5% in 2010 but resulting in a significant decrease in physician payments rates beginning in 2011. In contrast, the House bill, H.R. 3200, provides a permanent 10-year fix to the SGR problem, resulting in positive updates at a cost of \$230 billion over the decade.

MMA representatives have been in touch with Senator Snowe and her health staffers over the last few days and have discussed the problems with the provisions noted above.

MMA will continue to provide regular updates on the effort to pass comprehensive health reform legislation during the coming weeks, through the *Maine Medicine Weekly Update*. You can also track coverage of the health care reform debate on the AMA web site at: <http://www.ama-assn.org/ama/pub/health-system-reform/townhalls-09302009.shtml>.