

## **National Health System Reform Moves Forward as Senate/House Leadership Announce Outline of Merged Bills**

The focus on federal health care reform was on both the House and Senate last week, as the House leadership unveiled its bill representing a consolidation of drafts developed by three House Committees. The merged bill will serve as the vehicle for a debate on the House floor this week. The Senate leadership also finished its efforts to blend its two committee reports into a single bill. Because the bill includes a so-called "public option", Senator Olympia Snowe announced that she would not vote for the bill on the Senate floor, at least not in its current form.

The health system reform debate in Washington, D.C. is moving closer to floor action in the Senate and House, as Democratic leaders last week announced the outline of the merger of two bills in the Senate and three bills in the House. On October 26, 2009, Senate Majority Leader Harry Reid (D-NV) stated that the bill based upon reports from the Finance Committee and the Health, Education, Labor & Pensions (HELP) Committee would include a government option with the ability for states to opt out or to establish insurance cooperatives to compete with private carriers. Republicans, including Maine's senior Senator Olympia J. Snowe, expressed disappointment with this decision, as did a number of moderate Democrats. Last Thursday, October 29, 2009, the House Democratic leadership announced the outline of the merger of three House bills into a package that would cost \$894 billion over ten years. On the other hand, because of new tax revenue and Medicare savings, the bill is estimated to reduce the deficit by \$104 billion over the next decade.

It is expected that the House bill could cover 96% of all non-elderly residents and legal residents through expansion of the Medicaid program and new health insurance exchanges that may offer both private and public plan options. The primary new tax revenue to fund the House bill is a surcharge on the portion of income above \$1 million for couples and \$500,000 for individuals. The House bill defers the Medicare physician payment (SGR) issue to a separate bill.

The primary House reform bill is H.R. 3962, the *Affordable Health Care for America Act*. The House bill dealing with the Medicare physician payment issue is H.R. 3961, the *Medicare Physician Payment Reform Act*. You can find the text of both bills and summary documents on the web site of the House Ways & Means Committee at: <http://waysandmeans.house.gov/MoreInfo.asp?section=52> .

You can find the latest on the AMA's health system reform advocacy activity on the web at: <http://www.ama-assn.org/ama/pub/health-system-reform/blog.shtml>.