

## **Health Care Reform: Focus on the Senate**

Senate debate on H.R. 3590, the *Patient Protection and Affordable Care Act*, continued this past week. While Senate Democrats hailed a proposal to expand coverage by allowing 55-to-64 year-olds to buy Medicare coverage, critics, including Maine Senators Olympia Snowe and Susan Collins opposed the measure on the grounds that Medicare payments in Maine fall significantly short of the cost of providing the service. A Senate vote still is expected before Christmas.

While the past week brought several new story lines about the health reform debate, the proposed expansion of Medicare was atop the headlines. With Medicare paying less than 80% of costs to Maine hospitals, the Maine Hospital Association expressed strong opposition to the proposal. At the other end of the spectrum, supporters of a "public option" strongly supported the idea of a Medicare expansion. And a Kaiser Family Foundation study released on Thursday stated that the Medicare expansion, "could provide coverage in a relatively short period of time, as early as 2011, and target help to those who are most likely to have difficulty purchasing coverage on their own in the individual market." The non-partisan Congressional Budget Office (CBO) will be assessing the potential cost of the Medicare expansion and is expected to report back early this coming week. But already, several Senate Democratic leaders, including Senator Max Baucus (D-MT), have indicated that they are working on amendments to the proposal that would address the concerns, which he said were legitimate.

Maine's junior Senator Susan Collins also became a prominent player in the health reform debate this past week. She and Oregon Democratic Senator Ron Wyden introduced what they called three bipartisan amendments to the Senate bill aimed at offering consumers more choice and holding premium increases in check.

The Collins-Wyden amendments likely will be considered by Senate leadership over the next several days. One amendment would let employers give their workers the option of choosing from among the health plans offered in the new insurance exchanges that the bill would create. A second amendment would remove the age limit for allowing individuals who are not receiving government subsidies to purchase a catastrophic plan through the exchange (current draft allowed only individuals under age 30 to make such a choice). The third amendment would amend the provision in the bill requiring health plans to pay enrollment fees based upon the number of persons joining the plan.

MMA representatives met on Thursday with Senators Snowe and Collins, along with their primary health staffers. In addition to summarizing the provisions in the Senate bill supported by the Association, the MMA also discussed a list of problem areas. Still, the MMA cited the unsustainability of the current system, with small groups in Maine receiving health plan renewals with 20 to 60% premium increases. MMA's own increase for the members' plan is 29%, effective February 1, 2010. The MMA also stressed the need to immediately avert the January 1, 2010 decrease in Medicare reimbursement (21%). The MMA will join this week in a joint letter to Congress with other state and national medical societies emphasizing the need to take immediate action on the SGR (sustainable growth rate) formula.

During the meetings, the MMA also discussed the need for liability reform, and protecting the state reforms in place, and particular issues affecting cardiology and neurology.

It remains questionable whether the Senate can enact a bill prior to Christmas, given the need to achieve 60 votes in order to overcome a threatened Republican filibuster. One of the independents needed to get to 60 votes, Senator Joseph Lieberman (I-CT), has indicated that he will not vote for a bill with a public option or Medicare expansion. And Senator Ben Nelson (D-NE) has indicated that he will not vote for the bill with the current provisions regarding funding for abortion. Senator Nelson's amendment to limit more severely coverage for abortion has been previously defeated. While one or more Republican votes are a possibility, they do not appear likely without some significant changes to the bill, as well as a more open process in the preparation of amendments.

In early December, the Center for American Progress Action Fund and the Commonwealth Fund released a report concluding that the health care reform bills would save more than estimated by the Congressional Budget Office (CBO) and CMS, primarily because the researchers gave more weight to the impact of delivery system and payment reform, and administrative streamlining. This report estimated savings of \$683 billion and \$532 billion over 10 years from the Senate and House reform bills respectively. According to the report, both bills could reduce the federal deficit by more than \$400 billion. You can find a copy of the report on the web at: <http://www.commonwealthfund.org/>.

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