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Congressional Memo

For Democrats, Cracks in a United Front

By [JACKIE CALMES](#)

WASHINGTON — Over four days and three late nights of meetings, Democrats on the Senate Finance Committee have largely stood up to Republicans' attacks on a proposal to overhaul the health care system.

But behind the scenes and away from the C-Span cameras, their united front has given way to intraparty tensions, not just in the committee but in Congress generally.

Those cracks will become more evident next week when the Finance Committee tries to finish its work and liberals press to change a bill that is too conservative for their liking. In the main event, they will propose a public option to compete against private insurers in new exchanges where uninsured individuals and small businesses would be able to shop for coverage.

The liberals do not expect to win in the moderate-to-conservative-leaning committee. But Senator [Charles E. Schumer](#), Democrat of New York, said, "That's just the first battle of a war, and the least friendly battlefield."

The Senate floor, and certainly a conference with the more liberal House, will be more receptive arenas, Mr. Schumer and others predict. Ultimately, the liberals in Congress, as well as their allies in organized labor, expect to be able to shape the final product more than they had hoped just weeks ago.

That unnerves the more conservative Democrats, many of them from Republican-leaning districts and states.

Liberals have been emboldened by two factors. One is the failure of Senator [Max Baucus](#) of Montana, a more conservative Democrat who heads the Finance Committee, to get any Republicans to support his draft legislation, after months of trying. That doomed [President Obama's](#) goal of bipartisan backing for a health care overhaul, and now leaves party liberals arguing for a distinctly Democratic health plan.

"One of the strongest arguments against a public option has been that the Republicans will never go for it," Mr. Schumer said. "Well, the Baucus bill doesn't have a public option, and they're still not for it in any way, with the possible exception of Olympia Snowe," a moderate Republican senator from Maine, who has not ruled

out supporting the overhaul that Mr. Obama is seeking.

The second development that has encouraged liberals is recent polling, including some done for The New York Times and CBS News in the last week, that gives Democrats a clear edge over Republicans as the party favored to deal with health care issues. The same polls show significant support for a public option despite months of criticism from Republicans, who describe it as a government takeover of health insurance.

Congressional Democrats of all stripes have become more upbeat since returning to work after the August recess, when they were thrown on the defensive by conservative opponents' disruptions at public forums on health care. While the mood could just as quickly shift again, liberal and moderate Democrats seem to agree that they will pass a health care measure, if only because failure could be politically devastating given Mr. Obama's stake, and theirs, in the outcome.

The sense that something will become law has only strengthened the resolve of liberals, inside the Congress and out, to fight with intensity as Democrats write the legislation this fall.

In the Finance Committee this week, some of the liberal members privately said they were feeling squeezed between pressure from the White House to be good party soldiers — that is, to stifle their differences with Mr. Baucus's legislation and quickly push a bill to the full Senate — and pressure from major unions to fight in the committee for the public option and other changes.

The Obama administration's argument to liberals has been that they should hold their fire now, knowing that their leverage will be greater in the final negotiations between the House and the Senate. Four other committees, three of them in the House, have approved more liberal bills.

But to the chagrin of many Democrats, the Finance Committee's product has been considered the most important, since only a relatively moderate package is deemed capable of passing in the Senate.

Senate Democrats have a [filibuster](#)-proof majority of 60 lawmakers. But a number of them are centrists, and the party cannot afford many defections, given Republicans' nearly unanimous opposition. Further, seeking a semblance of bipartisanship, the White House still wants Ms. Snowe's vote.

Yet unions, whose efforts were vital to the election of Mr. Obama and many Congressional Democrats, counter by saying the Baucus bill is too objectionable to let it slide. Not only does it lack a public option, it would not mandate that employers provide insurance to their workers or else contribute toward subsidies that would help the uninsured buy coverage.

But labor's main complaint is Mr. Baucus's proposal to tax insurance companies for their most generous policies, as a way to raise revenue and to discourage wasteful health care spending. Labor says insurers would pass on their tax costs in higher premiums, not just for corporate executives but also for unionized workers with rich health benefits.

Under Mr. Baucus's plan, the tax would apply to family policies worth more than \$21,000 a year. The typical employer-provided family plan costs roughly \$13,000, but packages for some unionized workers can run much higher. Democrats are discussing raising the threshold, and the White House has privately assured labor that union benefits will not be affected.

This week, with the president occupied by global issues at the [United Nations](#) and the G-20 conference, Vice President [Joseph R. Biden Jr.](#) was enlisted to intercede with some liberals and keep them on board. In coming weeks, Democrats say, Mr. Obama will have to be much more involved.

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