



October 16, 2009

Democrats Address Their Own Rifts on Health Care

By [DAVID M. HERSZENHORN](#) and [ROBERT PEAR](#)

WASHINGTON — Deep fissures among Senate Democrats became evident on Thursday as lawmakers moved closer to a floor debate on legislation to remake the health care system.

The divisions involved two issues: whether the government should sell [health insurance](#), in competition with private insurers, and whether Congress should offset any of the cost of legislation to increase [Medicare](#) payments to doctors.

At a luncheon behind closed doors, Democrats said, liberals made impassioned pleas for a new [government insurance plan](#), and they challenged the chairman of the Senate Finance Committee, [Max Baucus](#), Democrat of Montana, to defend his bill, which has no such public option.

Among the outspoken champions of the public plan were Senators Sherrod Brown, Democrat of Ohio; Tom Harkin, Democrat of Iowa; and [Bernard Sanders](#) of Vermont, an independent who caucuses with the Democrats.

Senator Ben Nelson, Democrat of Nebraska, said the discussions were only “slightly less raucous than the town hall meetings” that erupted in many states in August.

Senate Democratic leaders have insisted for months that health care legislation would be fully paid for. But the Senate majority leader, [Harry Reid](#), Democrat of Nevada, said Thursday that he would try next week to pass a free-standing bill that would pour \$240 billion into Medicare — to shield doctors from cuts in their Medicare payments that would otherwise occur, under existing law, in the next 10 years. “The slate should be wiped clean,” Mr. Reid said.

Under the bill, which came as a surprise to members of both parties, none of the cost would be offset or paid for.

The Medicare bill has support from doctors, who are potentially crucial allies in the Democrats' effort to overhaul the health care system. But the bill could shatter the aura of fiscal responsibility that Senate Democrats have worked to create in writing their broader health care legislation.

A version of the legislation approved Tuesday by the Senate Finance Committee would block the Medicare cuts for one year. Mr. Baucus acknowledged that this did not solve the longer-term problem.

Doctors have insisted on a permanent fix to the current Medicare formula, which leaves them exposed to cuts each year, with a reduction of 21.5 percent planned for January. Congress established the formula in 1997, stipulating that the growth of Medicare spending on doctors' services should not exceed a "sustainable growth rate" set by law.

The sponsor of the Medicare bill, Senator [Debbie Stabenow](#), Democrat of Michigan, said the formula was badly flawed. "Everybody knows that Congress will step in to stop these cuts because they are so drastic," she said. "They would hurt patients."

But two moderate Democrats, Senators [Evan Bayh](#) of Indiana and [Kent Conrad](#) of North Dakota, said they opposed Ms. Stabenow's bill.

"It's not fiscally responsible," Mr. Bayh said. "I could not vote for a bill that raises the deficit by \$240 billion, not at a time when we are already hemorrhaging red ink. The physicians' issue needs to be addressed, but not in a way that increases the deficit."

Mr. Conrad, who is chairman of the Budget Committee, was furious at the possibility that Congress might adjust payment rates for doctors without offsetting the cost. "I don't agree with just adding that amount to the debt," Mr. Conrad said, adding, "I won't vote for it."

Senator [Charles E. Grassley](#) of Iowa, the senior Republican on the Finance Committee, said: “There’s no doubt that the physician payment formula needs to be fixed. But it undermines the president’s commitment to making sure [health care reform](#) won’t add a dime to the deficit when one of the most expensive problems in the Medicare program is removed from overall reform legislation.”

The [American Medical Association](#) said Thursday that it had begun a multimillion-dollar ad campaign to whip up public support for Ms. Stabenow’s bill.

Many doctors say Medicare payments do not cover their costs, and some have limited the number of Medicare patients they take. Dr. J. James Rohack, president of the medical association, said, “It’s time for permanent repeal of the Medicare physician payment formula.”

Senator Sanders said the debate Thursday “went up a few decibels higher than it usually does in caucus meetings.” He said he had told Mr. Baucus that more than 60 percent of the public and more than 80 percent of Democrats supported creation of a public insurance plan. “It’s difficult to understand why we can’t give the American people what they want,” Mr. Sanders said.

Describing the closed-door meeting of the Democratic caucus, Mr. Bayh said: “There was a passionate discussion of the public option. Voices were raised. It was a very spirited debate.”

Speaker [Nancy Pelosi](#) said Thursday that the House bill would include a public insurance plan. But Mr. Baucus has said such a plan could not get the 60 votes needed to overcome a Republican [filibuster](#) in the Senate.

In response to questions from colleagues, Mr. Baucus vigorously defended his bill at the Democratic caucus. Mr. Bayh quoted him as saying: “Hold on, now. We are doing the best we can.”

