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Democrats Preserve Essence of Health Proposal

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WASHINGTON — Senate Democrats on Friday preserved the guts of their proposal to reinvent the health care system, but Republicans scored political points on several issues, like the effects of the bill on older Americans.

The Democrats beat back Republican attacks on the legislation as the Senate Finance Committee deferred some of the most contentious issues to next week.

By a vote of 14 to 9, the committee rejected an amendment by Senator [Jon Kyl](#), Republican of Arizona, that would have prohibited the federal government from defining the specific health benefits that insurers must offer. The government would prescribe a minimum package of benefits under all health bills pending in Congress.

On the other side of the Capitol, Speaker [Nancy Pelosi](#) said Friday that Democratic leaders were considering a tax on high-cost [health insurance](#) policies to help finance coverage of the uninsured.

The bill pending in the Senate Finance Committee would raise more than \$200 billion over 10 years by imposing such a tax on health plans with premiums exceeding \$8,000 for individuals and \$21,000 for families.

House Democratic leaders and committee chairmen showed no interest in such a tax earlier this year. They have drafted a sweeping health care bill that would impose a surtax on families with incomes of more than \$350,000 a year. Ms. Pelosi has said she would like to raise the threshold to \$1 million.

That would reduce the amount of revenue raised. To make up the difference, House leaders are examining the idea of a tax on high-end insurance plans.

But many Democrats have reservations about the idea, in part because they believe that insurers would pass on the cost to employers and employees.

Representative Joe Courtney, Democrat of Connecticut, said some teachers in his state could be affected.

“A tax on health benefits in the name of reform will punish middle-class residents from states with high medical costs who have no control over medical inflation,” Mr. Courtney said. “It would be a bitter pill for these working families to pay a tax on benefits that were preserved through wage and salary concessions for the last two decades.”

Three House committees approved comprehensive health care bills in July. Ms. Pelosi met for three hours on Friday with her leadership team and with chairmen of the three committees, who are trying to reach a consensus before they take a bill to the House floor this fall.

When the Finance Committee resumes work next week, it will tackle dozens of proposed amendments.

The committee chairman, Senator [Max Baucus](#), Democrat of Montana, had said the panel on Friday would take up the explosive question of whether to create a government-run insurance plan, to compete with private insurers. But he decided to put the issue off until Tuesday.

“This was a good week,” Mr. Baucus said. “It was a productive week.”

Republicans did not prevail on any amendments to which Democrats objected. But Senator [Michael B. Enzi](#) of Wyoming said he and other Republicans had effectively publicized two messages: that the bill would do little to bring down the cost of insurance and that it would, in effect, tap [Medicare](#) to help pay for coverage of the uninsured.

A new report from the [Congressional Budget Office](#) analyzes possible effects of the legislation on premiums in the individual insurance market. Such premiums, it said, “would tend to be higher” because “the new policies would

have to cover pre-existing medical conditions and could not deny coverage to people with high expected costs for health care.”

However, the report noted that some people with serious illnesses did not buy insurance now because they could not afford the premiums.

Mr. Kyl said that federal benefit mandates would increase the cost of insurance. Senator [Debbie Stabenow](#), Democrat of Michigan, said such requirements were needed because many insurance policies did not cover important services like maternity care.

Mr. Kyl insisted, “I don’t need maternity care.”

But Ms. Stabenow said, “Your mom probably did.”

Public access to the text of the legislation has emerged as an issue in the Senate and the House. Ms. Pelosi said the legislation would be posted on the Web for lawmakers and the public to read and review for at least 72 hours before the House votes. Mr. Baucus agreed that a detailed summary of his bill, in plain English, would be publicly available before a final committee vote.

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