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Health Overhaul Is Drawing Close to Floor Debate

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

WASHINGTON — With the Senate Finance Committee set to approve its health care bill this week, Democrats are tantalizingly close to bringing legislation that would make sweeping changes in the nation's health care system to the floor of both houses of Congress.

Party leaders still face immense political and policy challenges as they combine rival proposals — two bills in the Senate and three in the House. But the broad contours of the legislation are in place: millions of uninsured Americans would get subsidized health benefits, and the government would move to slow the growth of health spending.

Senior Democrats said they were increasingly confident that a bill would pass this year. "I am Scandinavian, and we don't like to overstate anything," said Senator [Kent Conrad](#), Democrat of North Dakota and an architect of the Finance Committee bill. "But I have a solid feeling about the direction of events."

[President Obama](#), in his weekly address on Saturday, noted Friday's dismal unemployment numbers and said the health care overhaul would bolster small businesses and create jobs.

Mr. Obama called the overhaul "a critical step in rebuilding our economy" and said he was working with his economic advisers "to explore additional options to promote job creation."

Step by difficult step, the legislative process is lurching forward. Proponents say they see some momentum — more than they saw in Congress 15 years ago, when President [Bill Clinton](#)'s plan for universal health coverage collapsed.

As Senate Democrats try to secure the 60 votes needed to overcome a possible Republican [filibuster](#), intricate details and big hurdles stand in their way. Republicans have said they will fight the legislation at every turn.

The policy challenges are also daunting. In the space of one year, the Democrats are trying to restructure one-sixth of the economy, writing a bill that will affect almost every American, every business and every doctor and hospital in the country.

Three House committees approved health care bills in July, as did the Senate health panel. After hearing from constituents in August — some furious, some pleading for change — many Democrats returned to the Capitol determined to plow ahead. They were also emboldened by Mr. Obama's speech to Congress on Sept. 9 that cast the legislation as a moral and political imperative.

The Finance Committee is expected to approve its bill this week, after receiving cost estimates from the [Congressional Budget Office](#). And while the panel made numerous changes over seven days of public debate, the core components of its more centrist proposal, developed in months of bipartisan talks, are still intact.

After the committee votes, a new, potentially more perilous phase will begin as party leaders put together the final proposals they will take to the floor of the Senate and the House.

These are some of the huge issues that remain:

¶The major House and Senate bills would require most Americans to carry insurance. This individual mandate could touch off an angry public reaction, especially if the penalties for violations are taxes collected by the [Internal Revenue Service](#). Many lawmakers want to minimize the penalties.

¶Whether the government should require employers to provide health benefits to their employees, or pay a penalty, is still an open question. Liberal Democrats say yes. Moderate Democrats are unsure. Republicans are generally opposed.

¶Lawmakers have not decided how to pay for the legislation, expected to cost about \$900 billion over 10 years, though they insist that it will not add to the deficit. The House has proposed a surtax on high-income people, while the Senate proposed an excise tax on high-cost insurance plans.

¶Democrats are divided over whether to create a government insurance company to compete with private insurers. The more liberal House will probably not pass a health care bill without such a public insurance option, while the Senate appears unlikely to pass one with it.

¶Lawmakers are looking for ways to provide more generous subsidies to help low- and middle-income people buy insurance. Many Democrats and some Republicans, like Senator [Olympia J. Snowe](#) of Maine, insist that insurance must be affordable if people are required to buy it.

¶While Congressional leaders say they want to curb the explosive growth of health costs, it is unclear whether the final bill will make a serious effort to do so. Every proposal meets resistance from health care providers who fear a loss of income, even as they stand to gain millions of paying customers if nearly everyone has insurance.

Mr. Conrad said that even some Republicans seemed to recognize the likelihood that Congress would pass major health care legislation this year. "I thought there was an air of resignation that settled over our colleagues on the other side of the aisle," he said.

But Senator [Lamar Alexander](#) of Tennessee, the No. 3 Republican in the Senate, predicted that opposition would grow. "It would be very difficult for a bill like the Finance Committee bill to pass the Senate," he said. "There is nothing inevitable about such a bill. There is nothing predictable about the Senate floor."

Republicans are not waiting for the finished product and have unleashed a barrage of criticism. In addition to expanding government and raising taxes, they say, the Democratic plans will hurt older Americans by cutting [Medicare](#), intrude on personal freedom by forcing people to buy insurance and impose new costs on states by expanding [Medicaid](#).

Democrats said that once the Finance Committee acts this week, they will be closer than ever to carrying out a major overhaul of the health care system — a goal that has eluded presidents and Congress for more than a half-century.

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