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Negotiating to 60 Votes, Compromise by Compromise

By [ROBERT PEAR](#)

WASHINGTON — Thirty million people without [health insurance](#) stand to gain coverage under a deal announced on Saturday by Senate Democrats.

To get the 60 votes needed to pass their bill, Democrats scrapped the idea of a government-run public insurance plan, cherished by liberals, and replaced it with a proposal for nationwide health plans, which would be offered by private insurers under contract with the government.

The legislation also includes a proposal that would limit insurance coverage of [abortion](#). The provision, which was the last piece of the puzzle to fall into place, was negotiated by the Senate majority leader, [Harry Reid](#), Democrat of Nevada, to win the support of Senator Ben Nelson, Democrat of Nebraska, who is an opponent of abortion.

Under the agreement, states could choose to prohibit abortion coverage in the insurance markets, or exchanges, where most health plans would be sold.

But if a health plan did cover the procedure, subscribers would have to make two separate monthly premium payments: one for all insurance coverage except abortion and one for abortion coverage.

The compromise was denounced by advocates of abortion rights, including the [Planned Parenthood Federation of America](#), the [National Organization for Women](#), Nara Pro-Choice America and the National Women's Law Center.

“We have no choice but to oppose the Senate bill,” said Cecile Richards, president of Planned Parenthood.

The United States Conference of Catholic Bishops and the National Right to Life Committee reached a similar conclusion for very different reasons.

“This bill should not be supported in its current form because it would allow federal money to go to health insurance plans that cover elective abortions,” said Richard M. Doerflinger, a spokesman on abortion for the bishops’ conference.

The final deal was packed with provisions calculated to appeal to various constituencies. The bill would provide extra [Medicaid](#) money to Nebraska, long-term-care insurance to people with severe disabilities, new services for pregnant teenagers and financial breaks to nonprofit insurance companies.

But there were also potential losers. To bring in more revenue, the bill proposes a range of new fees and taxes that would affect some high-income people, profitable health insurance companies and people who use tanning salons.

The proposals were drafted by Mr. Reid as part of an amendment to a sweeping health care bill, which embodies [President Obama](#)’s top domestic priority.

Mr. Reid’s amendment would expand eligibility for a small-business tax credit, increase penalties on certain uninsured people and increase the payroll tax on higher-income individuals and families beyond the increase that Mr. Reid proposed last month.

Mr. Nelson — whose home state of Nebraska received the additional Medicaid money — embraced the bill on Saturday.

“A number of states are treated differently from other states,” Mr. Reid said. “That’s what this legislation is all about, compromise.”

The Senate Republican leader, [Mitch McConnell](#) of Kentucky, said the bill was “a monstrosity full of special sweetheart deals for a few states,” including Nebraska and Vermont.

Under Mr. Reid’s amendment, the federal Office of Personnel Management, which provides health benefits to federal employees, would sign contracts with insurers to offer at least two national health plans to individuals, families and small businesses. At least one contract would have to be with a nonprofit entity.

Blue Cross and Blue Shield companies could offer a single national plan. The new national plans would be separate from the program for federal employees, and premiums would be calculated separately.

Under the bill, most Americans would be required to have insurance. The penalty for violating this requirement could be as high as 2 percent of a taxpayer’s household income. Penalties would total \$15 billion over 10 years, up from \$8 billion under Mr. Reid’s original proposal, the [Congressional Budget Office](#) said.

In the next 10 years, the government would also collect \$28 billion in penalties from employers who did not offer health benefits to employees.

Mr. Reid dropped a proposed tax on [cosmetic surgery](#) and replaced it with a tax on “indoor tanning services.” Senate Democrats said the 10 percent tax was justified because ultraviolet radiation from tanning devices could increase the risk of [skin cancer](#).

The bill would significantly increase the [Medicare](#) payroll tax on people with high incomes. Workers now pay a tax equal to 1.45 percent of wages to help finance hospital care for Medicare beneficiaries.

Mr. Reid’s proposal would impose an additional tax: 0.9 percent of income above \$200,000 for individuals and \$250,000 for families. This is nearly twice the extra tax of 0.5 percent that he proposed last month.

To help finance coverage of the uninsured, the bill would levy annual fees on insurance companies and manufacturers of medical devices and prescription drugs. Under the proposal unveiled on Saturday, nonprofit

insurance companies could be exempted if they spent a large share of their premiums on medical care rather than administrative costs.

Senator [Carl Levin](#), Democrat of Michigan, had sought such an exemption to spare companies like Blue Cross Blue Shield of Michigan, which he said provided a valuable service as the “insurer of last resort.”

The biggest source of revenue under the bill is a new tax on employer-sponsored group health plans with high premiums. The bill provides a special dispensation to police officers, firefighters, miners and construction workers, who have high premiums because they work in high-risk occupations.


Mr. Reid would grant a similar dispensation to longshoremen.

In what they described as an effort to reduce the demand for abortion, Democrats would provide money to help pregnant teenagers and new mothers so that they could stay in high school and attend college.

The federal government would provide \$25 million a year for a “[pregnancy](#) assistance fund.” The money could be used for “maternity and baby clothing, baby food, baby furniture and similar items,” the proposal says.

Children could benefit from Mr. Reid’s proposal in two other ways. He would immediately prohibit insurers from denying coverage to children because of pre-existing medical conditions. And he would provide money to extend the [Children’s Health Insurance Program](#) for two more years, through 2015, as proposed by Senator [John D. Rockefeller IV](#), Democrat of West Virginia.

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