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Senate Health Care Bill Faces Crucial First Vote

By [ROBERT PEAR](#)

WASHINGTON — The Senate version of sweeping health legislation would cover five million fewer people than a companion bill passed by the House, but it would cost less, in part because Senate Democratic leaders felt they had to win support from fiscally conservative members of their party.

The Senate is expected to vote Saturday on whether to take up the legislation. The majority leader, [Harry Reid](#), Democrat of Nevada, refused to say Thursday whether he had the 60 votes needed to clear that procedural hurdle.

While the guts of the Senate and House bills are similar, Mr. Reid came up with a new method of financing coverage, not found in any other major health bill. His proposal would significantly increase the [Medicare](#) payroll tax for high-income people.

The Senate and House bills would provide coverage to millions of the uninsured by expanding [Medicaid](#) and subsidizing private insurance for people with moderate incomes.

The Senate bill would spend \$821 billion over 10 years on Medicaid and subsidies. The House bill would spend 25 percent more: \$1.03 trillion over 10 years.

A big gulf separates the House and the Senate on the emotional issue of [abortion](#).

Over the objection of Speaker [Nancy Pelosi](#), the House adopted much stricter limits. Under the House bill, federal money could not be used “to pay for any abortion or to cover any part of the costs of any health plan that includes coverage of abortion,” except in case of [rape](#) or incest or if the life of a pregnant woman was in danger.

Thus, a plan that received federal subsidies for low- and moderate-income people could not offer abortion coverage.

Under the Senate bill, insurers would not be required or forbidden to cover abortion. But, the measure says, in every part of the country, the government would have to ensure that there is at least one plan that covers abortion and at least one that does not.

The secretary of health and human services would decide whether a proposed new [government insurance plan](#) would cover abortion. In general, if insurers cover abortion, they could not use federal money to pay for the procedure. They could use only subscriber premiums and would have to keep the money separate from subsidies received from the federal government.

Opponents of abortion describe this bookkeeping arrangement as a sham. “It’s a shell game,” said Senator [Mike Johanns](#), Republican of Nebraska.

But Mr. Johanns said he doubted that the Senate would accept the stringent restriction adopted by the House.

“I don’t see it in the final bill,” Mr. Johanns said. “I don’t believe there are enough pro-life senators to break a [filibuster](#) to make this a part of the final bill.”

Supporters of abortion rights were pleased with the treatment of abortion in Mr. Reid’s bill. “It maintains the decades-long compromise of no federal funds for abortion, while allowing a woman to use her own private funds for her reproductive health care,” said Senator [Barbara Boxer](#), Democrat of California.

Mr. Reid and other Democratic leaders said that the unveiling of the bill, hatched in his office, had given them political momentum going into the first test vote. Despite solid Republican opposition, the Democrats said they were confident they could enact some kind of national [health insurance](#) program, a goal that has eluded politicians for more than 75 years. But Congress appears highly unlikely to meet [President Obama](#)’s goal of finishing work on the bill this year.

The [Congressional Budget Office](#) estimates that Mr. Reid's bill would provide coverage to 31 million people who are uninsured, while the House bill would cover 36 million people.

A major difference between the bills is the effective date for important provisions, like the requirement for people to obtain insurance and the obligation of employers to help pay for it.

Many provisions of the House bill would take effect in 2013. But to help hold down the cost of the bill, Mr. Reid decided to delay the effective date for many provisions by one year, to 2014.

How to pay for the legislation is another major point of disagreement. The Senate and the House would both raise money from the health care and insurance industries and from high-income people, but they take different approaches.

Mr. Reid's bill would impose a tax on "Cadillac health plans" — employer-sponsored group health plans with premiums over \$8,500 for individual and \$23,000 for family coverage. He would impose a new 5 percent tax on "elective cosmetic medical procedures." And he would impose annual fees on insurance companies and makers of medical devices and brand-name drugs. By contrast, the House relies on an income surtax to raise \$460 billion from 2011 to 2019. The tax would be 5.4 percent of adjusted gross income exceeding \$1 million for couples and \$500,000 for individuals.


Senators of both parties said the government should finance any expansion of coverage with savings and revenues related to health care. House Democrats felt no such obligation. In a report on their bill, they said a surtax on the highest-income people would increase "fairness and progressivity in the tax code."

The two chambers also disagree on whether to create an independent commission to help cut the growth of Medicare. Senate Democrats say such a commission could make politically unpopular decisions needed to put Medicare on a sound financial footing. But House leaders say it is the duty of Congress to make such tough decisions.

The Congressional Budget Office estimated that the proposed Medicare commission would save \$23 billion from 2015 to 2019. Both bills would both create a public insurance plan. However, all Republican senators oppose the idea, and some moderate Democrats are skeptical, so the public plan could be significantly reconfigured or cut back in debate on the Senate floor.

Carl Hulse contributed reporting.

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