



Senate and House Prepare for Floor Debates on Health Reform

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Leaders in both the Senate and the House are focused intensely on bringing comprehensive health reform bills to the floors of their respective chambers, possibly by the week of October 19 in the Senate and the following week in the House.

Senate Outlook

The Senate Finance Committee is scheduled to meet on Tuesday to vote on passage of the "America's Healthy Future Act," as amended during the committee's recent markup. While anticipating this vote, Senate leaders have been working with the White House throughout this week to merge the separate reform bills that have been developed by the Senate HELP Committee and the Senate Finance Committee. Senate leaders are aiming to begin the floor debate on health reform, including key procedural votes, during the week of October 19.

Earlier this week, a group of eight moderate Senate Democrats addressed a letter to Senate Majority Leader Harry Reid (D-NV), requesting that legislative language and complete budget scores from the Congressional Budget Office (CBO) be made publicly available at least 72 hours before the Senate casts its first vote to proceed to this legislation.

House Outlook

House leaders recently have held several meetings with the full membership of the House Democratic Caucus, seeking input from rank-and-file members on key issues that need to be resolved before the three separate versions of H.R. 3200, the "America's Affordable Health Choices Act," can be merged into a single bill for consideration on the House floor. The structure of a government-run plan – based either on Medicare rates or negotiated rates, and possibly subject to a "trigger" – is included among the issues the leadership is working to resolve. At least one additional meeting of the full Democratic Caucus is expected next week before a merged bill is finalized and sent to CBO for scoring.

House Majority Leader Steny Hoyer (D-MD) stated yesterday that the latter part of the week of October 26-30 is the earliest timeframe for the House floor debate on health reform. Hoyer said that House members would be given 72 hours to review



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the bill before it goes to the floor. He also commented on the outlook for concluding the 2009 session, stating that he will do everything possible to ensure that Congress finishes its work by the second week of December.

CBO Issues Preliminary Analysis of SFC's Health Reform Bill

On October 7, the Congressional Budget Office (CBO) issued its preliminary analysis of the "America's Healthy Future Act," as amended by the Senate Finance Committee during its recent markup. CBO based its analysis on the conceptual language the committee marked up, not legislative language.

CBO estimates that under this bill, the percentage of legal nonelderly residents covered by health insurance would increase from 83 percent today to about 94 percent by 2019. CBO further estimates that the bill's coverage provisions would cost \$829 billion over ten years. This includes \$345 billion in increased spending in Medicaid and the Children's Health Insurance Program (CHIP), \$461 billion for premium subsidies provided through the proposed health insurance exchanges and related spending, and \$23 billion for small employer tax credits.

These costs would be offset by increased tax revenues and spending cuts in other areas, resulting in a net reduction in the federal budget deficit of approximately \$81 billion over ten years, according to CBO. The bill's offsets include: \$201 billion from the high-cost health plan tax; \$117 billion from changes to Medicare Advantage payments; \$106 billion from changes to Medicare hospital payments; \$23 billion from penalty payments by employers; and \$4 billion from penalty payments by individuals.

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