

Senate Finance Committee Passes Reform Bill

BY JOYCE FRIEDEN

WASHINGTON — After months of internal debate, the Senate Finance Committee passed a health care reform bill aimed at expanding health coverage and making health insurance more affordable. The 14-9 vote in favor of the bill was split largely along party lines, with Sen. Olympia Snowe of Maine the lone Republican to cross over and vote for the

bill along with 13 Democratic colleagues.

"The status quo has produced one glaring common denominator," Sen. Snowe said before casting her vote. "The problem has grown worse, not better." She said that although she had many reservations about the bill, "when history calls, history calls."

Democrats were generally more positive about the measure. "This is clearly not anyone's ideal bill, but it is a good

bill," said Sen. Charles Schumer (D-N.Y.). "It will make health care a whole lot better than it is today."

The bill, which would cost \$829 billion over 10 years, is estimated to reduce the federal deficit by \$81 billion, according to an analysis by the Congressional Budget Office. Individuals would be required to purchase health insurance coverage either on their own or from their employers, with tax credits for low- and middle-

income families to help pay for the cost of coverage. Individuals who failed to purchase insurance would be subject to fines of \$750—phased in gradually over a 4-year period—with exceptions for certain hardship cases. Employers would not be required to provide coverage to their full-time employees, but those who do not would be subject to a fine of up to \$400 per employee.

Sen. John Kerry (D-Mass.) said he was "very concerned" that the committee had not looked carefully enough at an employer mandate. "One hundred and sixty million people get their health insurance today through their employer, but that number is going down," he said. "Employers have an incentive to shift costs to workers and to drop [health] insurance." He noted that when Massachusetts introduced an employer mandate as part of its universal coverage plan, the number of people insured through their employers increased.

The bill does not include a "public option," a provision favored by many Democrats that would allow consumers to purchase coverage from a health plan offered by the federal government in competition with private health plans.

The measure passed by the committee does include insurance exchanges that would allow people who could not purchase coverage through their employers to choose from a variety of health plans.

On the other side of the aisle, Republican committee members were concerned about increasing government intrusion into health care. "This bill is already moving on a slippery slope toward more and more government control of health care," including the biggest expansion of Medicaid since it was created in 1965, said ranking committee member Sen. Charles Grassley (R-Iowa).

Republicans also expressed concern that the measure would do little to control costs. "The bill's actual cost is hidden by delaying effective dates," said Sen. Jim Bunning (R-Ky.). "Since [much] of this bill doesn't go into effect until 2014, the true 10-year cost of the fully implemented bill is approximately \$1.8 trillion." He also noted that the bill still leaves approximately 25 million people without coverage.

Sen. Max Baucus (D-Mont.), the Finance Committee chair, emphasized what he considered some of the bill's more positive aspects. "Folks who are satisfied with their current health insurance coverage could keep it," he said. "People would not be required to change health plans. . . . Our bill would require insurance companies to renew policies as long as policyholders paid their premiums. No longer would insurance companies be able to drop coverage when people get sick."

The Finance Committee bill will now have to be reconciled with another version of the bill passed by the Senate Committee on Health, Education, Labor, and Pensions. The final Senate bill will then have to be reconciled with a bill currently making its way through the House of Representatives. ■



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