

CQ Transcript
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PROMO

HEALTH CARE OVERHAUL UPDATE: The House of Representatives is pushing for a procedural tactic to fast-track health reform, and a key lobbying coalition releases its vision for health reform.

HEALTH INSURANCE INDUSTRY: Private health insurers' Washington representatives offered a health care reform compromise but also warned against Medicare Advantage cuts.

SEBELIUS NOMINATION: Obama's nominee for Secretary of Health and Human Services has a date for her confirmation hearing.

INTRO: The House of Representatives took a step this week toward adopting a controversial, fast track procedure to bypass a Senate filibuster of a health care bill. A group of business, consumer and health industry groups released a paper on health care overhaul outlining broad principles. The health insurance industry also offered concessions on how they price premiums based on patients' health status, but the companies warned against cutting payments to their Medicare Advantage programs. Finally, President Obama's nominee to head the Department of Health and Human Services, Kansas Gov. Kathleen Sebelius, now has a confirmation hearing in the Senate and could get a full Senate vote soon.

HEALTH CARE OVERHAUL UPDATE:

QUESTION 1: What does the congressional budget process have to do with health care?

A lot of the discussion on health care this week has been about what's known as the budget reconciliation process. Basically, it's a procedural move that lets Congress bypass a filibuster in the Senate. It's controversial because in the Senate, the filibuster is an important part of protecting the rights of the minority. But if Congress makes health care part of the reconciliation instructions in the budget, the Senate can bypass a filibuster. In the House and Senate budget resolutions that came out of committee this week, the House included the provision and the Senate didn't.

Democratic senators like Finance Committee Chairman Max Baucus and Budget Committee Chairman Kent Conrad have resisted using reconciliation for health care. They say that reconciliation will make it impossible to get a bipartisan health care bill. And Republicans are obviously opposed to it because their input on a bill would basically disappear, since Democrats wouldn't need their votes.

QUESTION 2: How's this all going to work out?

The budget resolutions now go to the floor in each chamber. Then the House and Senate will likely go to conference, where they'll work out a final version. It's possible that reconciliation for health care will stay in. A lot of Democrats are saying that they should use any tool they can to pass health care reform. Republicans would certainly be very upset by this, but they don't have the votes to stop it.

The danger, which some moderates are already pointing out, is that Democrats might write a health care bill that trends too far to the left. That could unite the health care industry against the bill. If they launched an ad campaign and started to undermine public support, it could spell trouble for Democrats.

QUESTION 3: What was in the agreement this week that lobby groups put out on health care?

There's a coalition of 18 organizations, like the AARP, the drug and insurance lobbies, hospitals and doctors, and business groups. They've been meeting for months to try and come up with a compromise framework on health care that they could give to Congress and promise to support. The original hope was

that they'd reach a compromise on some of the policy and political problems and then put their weight behind a bill that did the same.

The only problem with what they came up with is that there's not much in it. The report has some general principles like expanding government programs including Medicaid and SCHIP, giving people subsidies to buy insurance and increasing preventive care. But it doesn't tackle any of the big issues on a health overhaul, like a mandate to buy insurance, or the idea of a government-run insurance plan.

HEALTH INSURANCE INDUSTRY:

QUESTION 4: The health insurance industry made some news this week. What happened?

Yes, they made a couple of important announcements. The biggest came in a letter they wrote to several senators, offering up a compromise that could go along with a health care overhaul. America's Health Insurance Plans, the group's Washington lobby, and the association of Blue Cross Blue Shield plans, offered lawmakers a deal. They said that they would agree to stop charging higher premiums to people based on their health status. They would also agree to cover people with pre-existing conditions. The flip side of that offer is that it would come with a government mandate that people buy insurance, which is a proposal being discussed as part of a health care overhaul.

The result is that more healthy people would buy insurance, along with people who had diseases already or were at a higher risk of getting them. Basically, it's a bigger pool to spread the risk around.

QUESTION 5: What's the response been like in Congress?

Very positive. More than anything, it seems lawmakers are glad to see the insurance industry at the table and making concessions. The health insurance industry is a powerful lobby, and a health care overhaul is likely going to require their cooperation.

QUESTION 6: They also made some comments about the Medicare Advantage program, right?

Yes, that's right. Medicare Advantage is the private-sector version of Medicare subsidized by the government. Medicare Advantage plans typically get paid more than traditional Medicare spends on a patient, and Democrats have promised to cut payments to the plans as part of a health care overhaul. Obama's budget proposal calls for cutting payments to the plans by \$177 billion over 10 years. Critics of Medicare Advantage argue that the program was supposed to use private-sector competition to run a more efficient Medicare. Since that hasn't happened, they think cuts are necessary.

The insurance plans say that if Congress cuts their payments, premiums will go up for Medicare beneficiaries enrolled in the plans. Insurers also have argued in the past that many of the plans would decide not to compete in some parts of the country, especially rural areas where providing care can be more expensive. That opposition isn't new, but it's a signal that the insurers might oppose a health care bill that cuts their payments, even though it seems almost certain that any Democratic legislation would.

SEBELIUS NOMINATION:

QUESTION 7: How's the Senate confirmation of Obama's HHS secretary going?

It's on track, it looks like. Obama's nominee, Kansas Gov. Kathleen Sebelius, spent the early part of the week visiting with members of Congress and at the end of the week two Senate committees announced confirmation hearings for her. The Finance Committee will hear her nomination on April 2, and the Health, Education, Labor and Pensions Committee on March 31.

Technically, only the Finance Committee has jurisdiction over her nomination, so the HELP Committee won't actually vote on the matter. But once the Finance Committee votes, her nomination will go to the full Senate for a vote there. Finance Committee ranking Republican Charles Grassley said that the full Senate

vote could come as early as this week, before Congress goes on recess.

QUESTION 8: Are there any potential problems with her nomination? Didn't a problem with back taxes force the last HHS nominee to withdraw?

The HHS job has taken longer to fill than expected because Obama's first choice, former Senate Majority Leader Tom Daschle, withdrew over back taxes. But right now it looks like Sebelius' nomination should go smoothly.

First of all, it's a good sign for her that the hearings are scheduled. That typically means the committee has finished the vetting process where they look for tax problems, conflicts of interest or other things that might derail a nomination. Then, this week Sen. Grassley said that there were a few questions the committee had, but that they were on very small issues and that the committee got the answers they wanted.

Sebelius' nomination also hasn't generated any filibuster threats, so floor action doesn't look difficult, either.

QUESTION 9: After she's confirmed, what's next?

Well, the department still has some lot of top positions unfilled, so Sebelius will have to pick her team of deputies and other key staffers that may not be in place yet. And there's still no nominee to be administrator of the Centers for Medicare and Medicaid Services, an announcement that might come after Sebelius' confirmation.

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