

Baucus wants to overhaul health care in '09

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WASHINGTON - The chairman of the Senate Finance Committee intends to push Congress to overhaul the nation's health care system during the first six months of next year.

Sen. Max Baucus, D-Mont., said "now is the time" for Congress to move on health care. On Wednesday, he made public his own plan for addressing what ails the health care system. It includes several features of President-elect Obama's plan, such as guaranteed insurance coverage regardless of pre-existing illness. He also would set up an insurance exchange, a sort of government-administered shopping center where people could go to buy coverage.

Baucus goes beyond Obama's plan by requiring everybody to purchase health insurance once affordable options are available. He predicted that such a major difference would get worked out.

The mandate to have health insurance will stop the shifting of costs for care of the uninsured onto those who have health coverage, Baucus said.

"Coverage of all Americans will also make reforms work better, from insurance market reforms to a cost-saving focus on preventive care," he said. "Those who cannot afford coverage will not be required to purchase it - there will be other options for them."

Baucus's 89-page report said the mandate to obtain health coverage would also prevent people from waiting until they get sick to buy insurance.

Baucus' committee has jurisdiction over health programs financed by a specific tax or trust fund, such as Medicare and Medicaid. Sen. Edward M. Kennedy, D-Mass., chairman of the Health, Education, Labor and Pensions Committee, will also play a role in any major overhaul of the system. He, too, has said health care changes can't wait.

But paying for expanding health coverage will be expensive, and many independent analysts question whether Congress can make it happen under current economic conditions. Baucus did not offer a way to pay for his proposal, which included such costly provisions as allowing people ages 55-64 to participate in Medicare and eliminating the requirement that disabled people wait two years from when they become disabled to enroll in Medicare.

"We all must realize that the costs of inaction, both in human and financial terms, will eventually be far greater than any initial outlays," the report said.

Baucus would also increase the number of people eligible for Medicaid, the federal-state partnership that provides health care to the poor. States would be required to cover all adults whose income is at or below the federal poverty level, now \$17,600 for a family of

three. He also would require that states cover uninsured children at or below 250 percent of the federal poverty level through the State Children's Health Insurance Program, \$44,000 for a family of three. In each instance, about two dozen states would have to increase current eligibility levels.

Baucus said states would be given additional financial help to cover the higher caseloads, but he didn't provide specifics. Many states are struggling to pay for those they already cover under Medicaid and the children's health insurance program, much less adding millions to the rolls.

The question before Obama will be whether to pursue health reform incrementally or to try for comprehensive change in one massive bill next year. It's unclear which approach will be pursued, but Obama has listed the issue as one of his top domestic priorities.

"President-elect Obama applauds Chairman Baucus's work to draw attention to the challenges of the health system and looks forward to working closely with the chairman and other congressional leaders, as well as the American public, to make quality, affordable health care a reality for all Americans." said Tommy Vietor, a spokesman for Obama's transition team.

Baucus also embraces the idea that the current tax treatment of health insurance produces inflationary pressures contributing to the high cost of insurance. He said one way to reduce those pressures would be to limit the amount of money that can be directed toward health insurance on a tax-free basis. Once people reached the limit, the money employers spend for health insurance would be treated as taxable income.

Several interest groups applauded Baucus's efforts, but one conservative think tank, the National Center for Policy Analysis, deemed his plan unrealistic.

"The bottom line is that the Baucus plan will exacerbate current problems of skyrocketing costs and limited access while creating a huge burden for individual taxpayers and businesses," said Devon Herrick, an economist at the center. "There is no such thing as free health care."

On the Net:

Senate Finance Committee: <http://finance.senate.gov>

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