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Obama Renews Health Push

Retooled \$950 Billion Plan Aims to Get Legislation Through Over Republican Objections

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WASHINGTON—President Barack Obama is upping the ante on health care.

In a last-ditch effort to salvage his overhaul of the sector, the president unveiled a \$950 billion plan that lays the groundwork for his party to try pushing its legislation through Congress without Republican support.

Instead of paring his ambitions, as some in the White House had recommended, the president proposed a new plan based on what the Senate passed in December, adding more spending, more subsidies and a revised mix of taxes.

Mr. Obama's plan, released ahead of a televised health summit with congressional leaders Thursday, **didn't include any additional nods to Republican ideas.** Republican leaders denounced it, suggesting that the summit is unlikely to lead to bipartisan breakthroughs. White House aides said the president was prepared to incorporate Republican ideas into the framework set by the Democratic bill, almost daring Republicans to remain opposed.

The proposal is an attempt to jump-start one of the President's top priorities, which has been nearly paralyzed since Democrats lost their 60-seat super majority in the Senate on Jan. 19.

President Obama plans to carry a proposal -- an attempt to bridge differences between bills passed by the House and Senate last year -- into a bipartisan meeting with congressional leaders on Thursday. To pass the legislation, Democrats are preparing to bypass the Senate's filibuster rule, which requires 60 votes in that chamber, using instead the so-called reconciliation process requiring only a simple majority vote. While used by both parties before in recent years, reconciliation—normally reserved for budget-related matters—will likely prompt a partisan brawl in a Congress already badly split on party lines.

The chances of reconciliation succeeding remain iffy. House Democrats passed their version of a health overhaul in November by a narrow 220-215 margin, and some of the yes votes are uncertain now that some House lawmakers don't like aspects of the Senate bill. Democrats have more breathing room in the Senate but the procedure carries political risks and Republicans could use delaying tactics.

White House aides said the proposal keeps the best features of the Senate bill, while making insurance more affordable for lower- and middle-income Americans. It would extend insurance to about 31 million

Americans by providing them with tax credits to offset the cost of coverage and expanding the Medicaid federal-state insurance program.

"Starting from scratch doesn't make sense," said White House Communications Director Dan Pfeiffer, rejecting Republican calls to begin again.

The Obama plan also scales back a tax on high-value or "Cadillac" insurance plans, which had roused opposition from unions and others.

Republicans said the White House proposal is too expensive and ignores signs that the public wants the administration to focus on creating jobs rather than fixing the health system.

Republicans are expected to call at the summit for more targeted legislation that curbs malpractice lawsuits, creates high-risk insurance pools for sick people and allows consumers to purchase insurance across state lines.

"I don't think that people like this any more than...the approach that came down the pike earlier," said Virginia Rep. Eric Cantor, the House Republican whip. "People are incredulous. I just think they are wondering, does the White House not get it?"

President Obama's health plan adds about \$75 billion to the 10-year cost of the \$871 billion Senate health-overhaul bill, and includes new taxes.

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[" This president has yet to meet an American dollar he won't spend....especially since it is not his to spend. "](#)

—Tom Adams

The Senate plan had envisioned the **tax on "Cadillac" plans** as a leading revenue raiser, bringing in nearly \$150 billion over a decade. **Mr. Obama's plan scales it back to about one-fifth that amount. It wouldn't kick in until 2018, effectively extending a deal reached last month for union workers** to all employees. As a result, the tax would raise about \$30 billion over a decade, a fraction of the \$149 billion the Senate bill would raise. The Obama plan would apply only to family plans worth at least \$27,500. The Senate bill would set the threshold at \$23,000.

White House aides said they were satisfied that the new tax would help control health spending over the long term even though it no longer does much to fund the bill in the short run.

Couples who make more than \$250,000 would see higher Medicare taxes under the Obama plan. The Medicare payroll tax would be extended to cover unearned income from dividends, interest and other sources.

To raise money for more generous subsidies helping lower earners buy health coverage, **the Obama plan would make deeper cuts to Medicare Advantage**, a program under which some seniors get their Medicare benefit through private insurers.

Like the Senate bill, the Obama plan doesn't include a government-run health plan or "public option" to compete with private insurers. That idea, a favorite of liberals, was part of the House bill.

Mr. Obama has largely tied his own fate and that of his party to the fate of the health-care measure, and his job approval numbers have fallen along with support for the plan.

Most Democrats in Congress have already voted yes on a version of the plan. Advocates for pushing through an overhaul argue that those up for re-election will be forced to defend those votes anyway, and will be better off if they have something to show for their effort.

Publicly, the White House says the president has not settled on any particular approach to complete the overhaul. But officials have said privately that they favor a comprehensive bill along the lines laid out Monday, and acknowledge that reconciliation is the only way such a bill can make it through Congress.

The White House has begun to make the case that using reconciliation would not represent an extraordinary step. The "extraordinary step" would be for Republicans to filibuster the bill, Mr. Pfeiffer said. The president simply wants an "up or down vote," he added.

The new White House plan contains stiffer penalties for most Americans who don't carry insurance and for businesses that don't provide coverage for workers. By 2016, consumers who lack insurance would have to pay a flat annual fine of \$695 or 2.5% of income, whichever is higher. Lower earners who couldn't afford coverage would be exempt from the fine.

Employers who do not offer insurance coverage would face fines of up to \$2,000 per employee, up from \$750 per worker in the Senate bill. Firms with fewer than 50 workers would be exempt, and small businesses would get \$40 billion in tax credits to offset the cost of coverage.

Obama Plan How the president's plan stacks up with the Senate bill passed Dec. 24					
	Tax on high-value insurance plans	Mandate on individuals	Employer mandate	Regulating premiums	Fees on drug makers
Obama	Insurance plans valued at more than \$27,500 for a family would face a 40% tax starting in 2018.	People who refuse to carry health insurance pay up to 2.5% of income as penalty. Exemption for lower-income people.	Employers with 50 or more workers pay fine of up to \$2,000 per worker if they fail to offer coverage and workers get government subsidies.	New federal body would have power to block insurers from raising rates.	\$33 billion over 10 years
Senate	Started tax five years earlier and set threshold at \$23,000.	Similar, but maximum penalty was 2.0% of income.	Similar, but fine was capped at \$750 per worker.	No such body created.	\$23 billion over 10 years
Comment	Tax is unpopular among unions and liberal Democrats. Last month, the White House announced an agreement delaying the tax only for unions, but the proposal released Monday applies to all workers.	Critics say the mandate is unconstitutional; supporters say it is needed to get healthy customers into the insurance pool.	Proposal is opposed by business groups.	Obama responds to recent sharp rate increases by WellPoint and others.	Chief drug lobbyist who negotiated the lower fees recently announced his resignation.