

Health Care Reform 2009

By J. Jonathon Jones



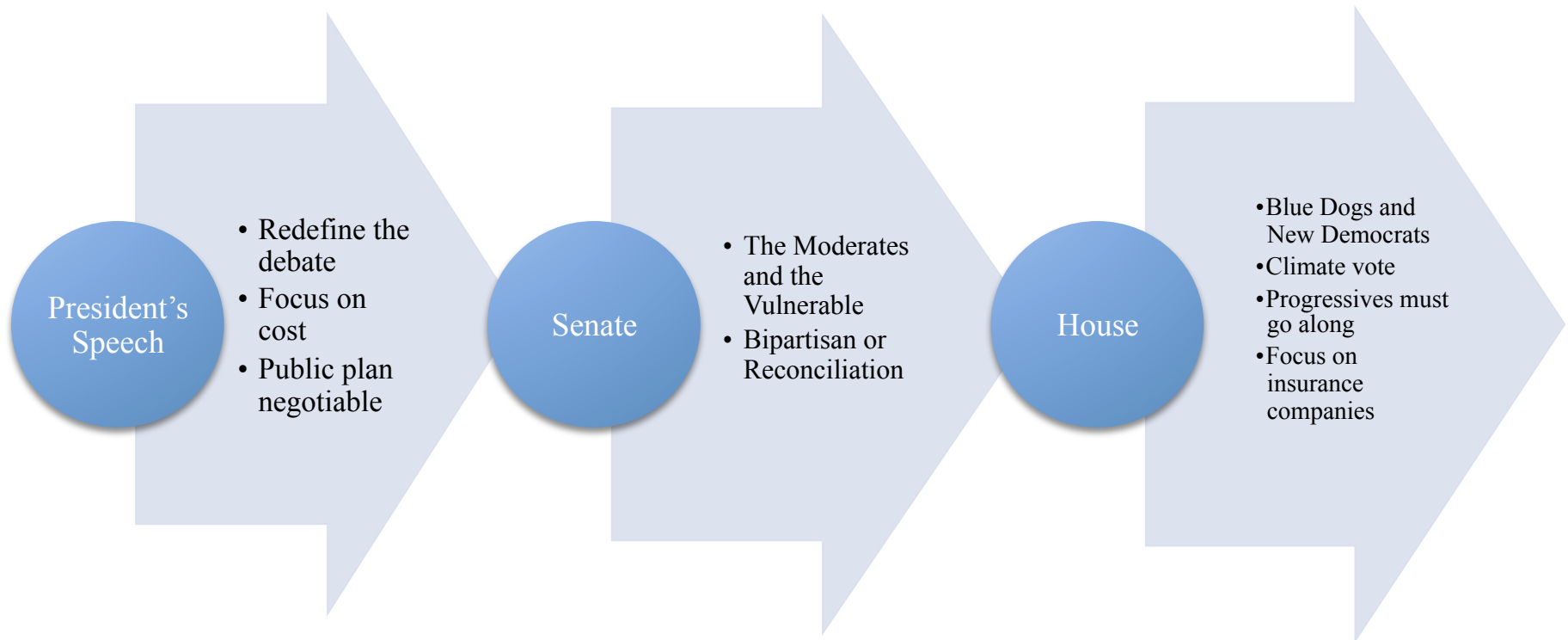
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How do Democrats feel?

- White House and Congressional democrats **MUST** enact a health reform bill **THIS FALL**
- Still feel that it is doable – Even moderates feel this way
- Prefer bipartisan legislation, but not afraid to go it alone
- Doubts rising about whether Republicans will agree to anything

Timeline



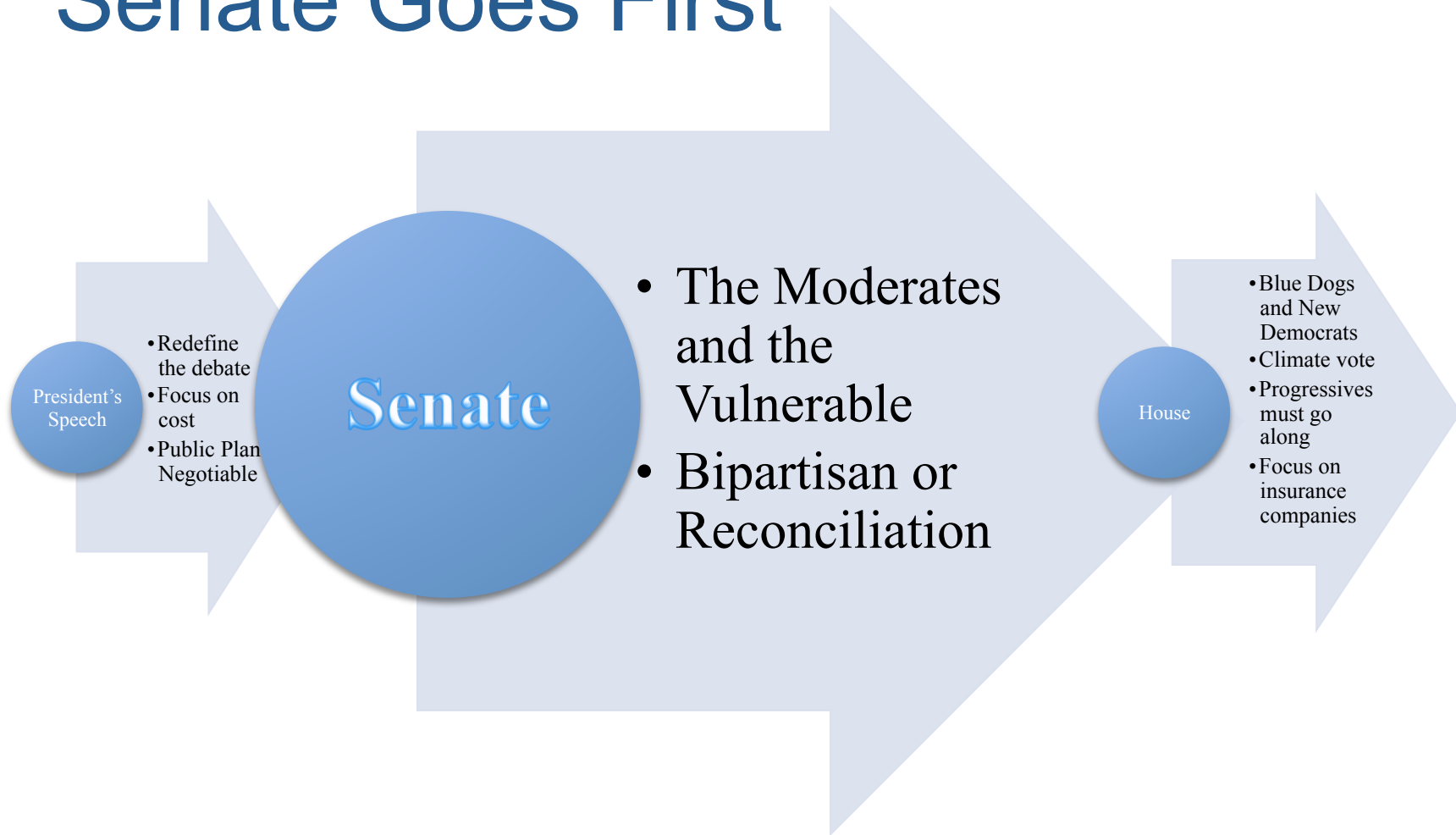
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Presidential Address

- President must redefine the debate
 - Must talk to voters WITH health insurance
 - Focus on controlling cost as opposed to covering the uninsured
 - “Health Insurance Reform”
 - Cap on deductibles and out of pocket costs
 - Pre-existing conditions
 - Guaranteed renewal
 - The public plan – preferred but not necessary
 - Something more for the Republicans?
 - Medical Malpractice or capping tax deduction for health insurance benefits

Senate Goes First



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The Moderates and the Vulnerable

- 21 Democrats critical to any health care reform strategy
- 12 gets you 50 + VPOTUS = 51
- 21 gets you 59 + 1 Republican = 60
- Snowe, Collins, Murkowski and Voinovich are the Republican targets

2010

Lincoln
Bennet
Bayh
Reid
Dorgan
Specter

2012

Ben Nelson
Bill Nelson
Carper
McCaskill
Tester
Lieberman
Conrad

2014

Begich
Pryor
Udall of CO
Landrieu
Baucus
Hagan
Johnson
Warner



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Bipartisan or Reconciliation?

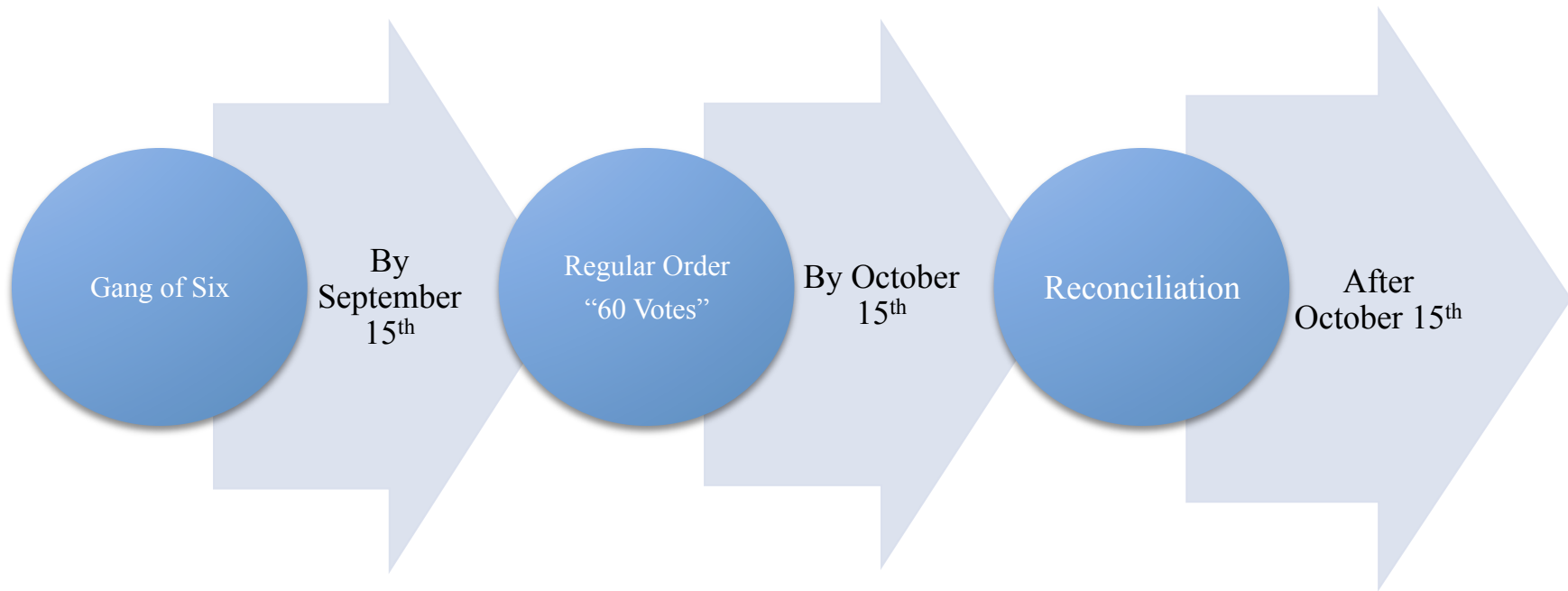
- Senate moderates still want to get a bipartisan deal, BUT
- More and more moderates are feeling like there is little interest from republicans
 - This started BEFORE the recess
 - If the POTUS offers perceived policy concessions (dropping the public plan, adding medical malpractice) and the Republicans do not engage (beyond Snowe), moderates will be more willing to accept the “go it alone” route



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The Three Options



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Gang of Six

- Baucus is doing everything he can to show progress from this group
- Baucus proposal
 - Co-ops instead of public option
 - Free rider policy instead of employer mandate
 - Tax on “Cadillac plans”
 - Medicaid expansion
- If he can’t get a deal, he will move to Plan B: 60 vote strategy without the Gang of Six

60 Vote Bill

- Stimulus Strategy
- If the Gang of Six fails, Baucus will try to move a bill out of Committee with just Snowe as the lone Republican or with just Democrats
- Go to the Senate floor and try to sure up all the Democrats and pick off a few Republicans

Reconciliation

- Contrary to what has been said, you can get a fair amount of health care policy through reconciliation
- Biggest problems
 - 5 year sunset
 - Optics of passing bill with only democratic votes
- Biggest misconceptions
 - Reconciliation automatically means it will only get 51 votes
 - No republican will vote for final passage

Political Problem with Sunset

- If a bill was signed under reconciliation in November of 2009, it would sunset in November of 2014
 - 8 of the 21 are up in 2014
 - 6 of the 21 are up in 2010
 - Both of these elections are mid-terms
 - must get some votes from these classes to pass a bill
- These members will force package to the middle
- Could force a much more targeted package, that is more difficult to attack politically



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Political problem: Democrats Only

- Process problem
- Increasingly the view is that this can be overcome if they get the policy right
- Coupled with significant campaign



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Misconception: 51 Votes

- Assume you will get the members up in 2012 (6 votes)
 - Presidential year
 - Not yet working on reauthorization
 - 7, minus Ben Nelson
- Target the 2014 members (7 votes)
 - 8, minus Landrieu
- 51 votes
 - 52 if Mass is seated
 - 53 if Reid votes yes...
- There are really only 4 that might vote NO on what is perceived to be a compromise package
 - Lincoln, Bayh, Nelson, and Landrieu



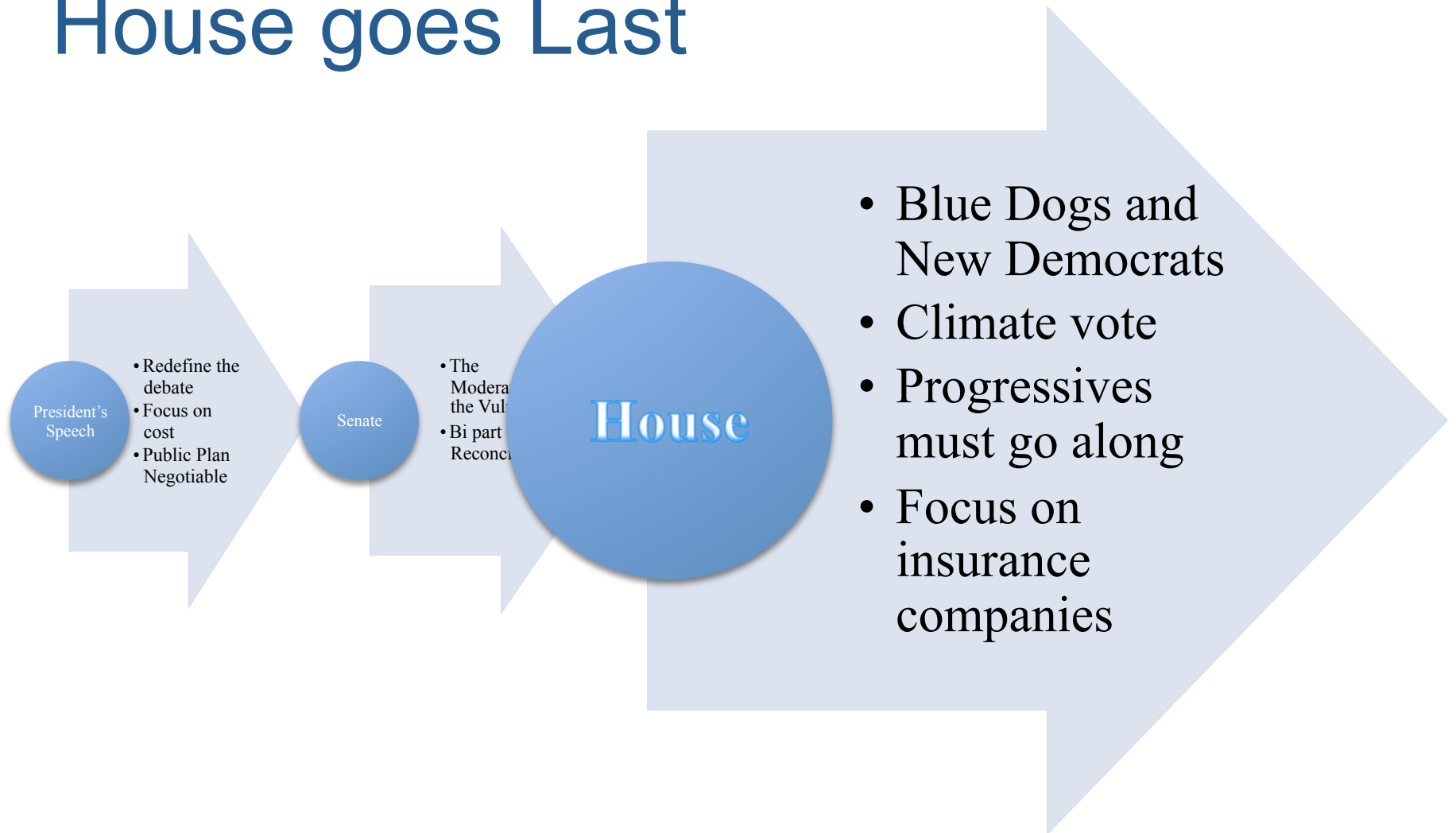
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Misconception: No Republican will vote for HCR under Reconciliation

- Once they bring a bill up under reconciliation, there will be individual provisions that some Republicans vote for by waiving the Byrd rule
 - Pre-existing conditions, for example
- Even under reconciliation, they will try to negotiate changes with Snowe and other potential Republican targets
- Get most of the Democrats plus 1 or 2 Republicans

House goes Last



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Blue Dogs and New Democrats

- Together they comprise 102 votes
- More than enough to defeat the bill
- They want to wait for the Senate, so they don't have to take unnecessary votes
- Not afraid to vote no, especially if House bill is perceived as more liberal bill
- Climate vote has had something to do with this mentality



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Progressive Caucuses

- Large voting block on the left
- If they can't be placated, may see a House test vote before Senate acts
- Will likely fail, making the Senate and the moderate position more attractive to the middle
- If it passes, will set up conference situation, where Senate and WH will team up to force a conference report that can pass the Senate



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House Progressives: Place the focus on Insurance Industry

- Mounting a campaign to rehabilitate the public plan.
- Focus on theme that private insurance is more focused on making money than providing health insurance
- Will focus on private insurance company profits and salary as evidence we need government competition