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## Some Democrats Consider Healthcare Co-Op Over Obama's 'Public Option'

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By Christopher Neefus

**(CNSNews.com)** - In a press briefing held by top Senate Democrats, Sen. Chuck Schumer (D-N.Y.) said it is possible that when a draft bill for health care reform emerges from the Senate this week, the public health insurance option it contains could come, like his Brooklyn apartment, in the form of a co-op.

However, a free market analyst said the co-op idea is likely being floated to attract moderate Democrats who do not back the government-run 'public option' plan being pushed by the White House.

The co-op idea was originally presented by Sen. Kent Conrad (D-N.D.), and would allow co-operatives to obtain a charter from the federal government to service their membership. "We do have co-ops in lots of things, [it] is run for the customers," Schumer said on Thursday, "and we like that because we think the public would run things for the customers too, [and] it wouldn't be government."

The co-op health care plan would take the place of a "public option," an idea backed by the Obama administration, and would see a government-run insurance plan triggered in any case where fewer than two private insurance options were available.

Both possibilities are still being discussed among Democrats in various committees. But Schumer said an insurance plan structured like a co-op stands a better chance at finding bipartisan support because it would reduce government involvement.

The New York senator, a senior member of the Finance Committee, admitted that launching a nationwide co-op would require "a large infusion of federal dollars in the beginning to set it up so that it could compete with the big boys," but that Republicans might prefer it because they are "afraid the public option will grow into single payer."

The more radical single-payer option would see the federal government reimbursing insurance providers for all costs incurred in providing healthcare.

A press secretary for the minority on the Senate Committee for Health, Education, Labor and Pensions, could only say the co-op plan was an idea Republicans were interested in hearing more about, but that they could not say whether they would be able to support it, as Schumer suggested.

But Sen. Chuck Grassley (R-Iowa) told *The Wall Street Journal* that if it could be "an entirely private sector operation ... I think it's got some possibilities."

At Thursday's briefing, Senate Majority Leader Harry Reid (D-Nev.) said Republicans were welcome to negotiate the terms of a co-op or public option in a committee negotiation process known as the "mark-up" period. "We always save the Republicans a seat at the negotiating table and will continue to do that," he said.

But Michael Tanner, a senior fellow specializing in healthcare at the libertarian Cato Institute, suspects Senate Democrats are not likely interested in courting Republican support. He thinks “they are actually [speaking] to moderate Democrats” about the co-op plan.

“If it’s a co-op model, I suspect if it was sufficiently independent of government to make Republicans happy, the Democrats wouldn’t be happy,” Tanner told CNSNews.com. “The left wing of the Democratic Party would walk away, which is very insistent upon single payer, or certainly insisting on a robust public option and is not going to accept something watered down this much.”

The only rationale Democrats might have, then, for moderating their plans might be to “go far enough to make the [moderate Democrats] comfortable,” Tanner said. “[T]hat, I think, is their real target.”

“There’s no reason to do a co-op or any other option if it’s not somehow managed by government,” he said. “We have 1,300 insurance companies, and now we’d just have 1,350.”

Schumer seemed to concur, saying the plan would have to “achieve the same goals as a conventional public plan.”

“[It is] a question mark as to whether we can” do that, said Schumer.

Sen. Murray said she expected the Health Committee would present a draft of the healthcare reform bill by the middle of this week.

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