



UPDATE 1-Q+A-Who will win at Obama's healthcare summit?

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(Adds background on mid-term elections)

By Patricia Zengerle

WASHINGTON, Feb 22 (Reuters) - President Barack Obama issued his first formal proposal to revamp the U.S. healthcare system on Monday and set the stage for a televised confrontation with rival Republicans.

Here are some questions and answers about the proposal and the bipartisan healthcare summit set for Thursday.

HOW MUCH OF OBAMA'S PLAN IS NEW?

Obama's plan largely resembles the healthcare bill passed by the Senate in December with a few tweaks intended to broaden its appeal. For example, Obama's plan expands tax credits for middle-class workers, to combat fears that the plan would make their health insurance even more expensive. It raises the threshold for a tax on high-cost health insurance plans, which had concerned many labor unions, whose members typically have such health coverage. And it eliminates a special deal exempting the state of Nebraska from Medicaid increases, which had incensed legislators from other states.

"He took care of a number of problems that people had, and so we'll see if it's enough to push it over the top," said Darrell West, director of governance studies at the Brookings Institution think tank in Washington.

HOW MUCH WILL IT COST?

The White House said the new proposal would cost about \$950 billion over 10 years, about \$80 billion more than the Senate plan. The administration insists that the measure would not only pay for itself, but also would reduce the U.S. budget deficit over the next decade. The nonpartisan Congressional Budget Office had said the Senate bill would cut the federal deficit by \$132 billion over 10 years.

Michael Cannon, director of health policies at the Cato Institute libertarian think tank, said the 10-year price of Obama's plan is more like \$2.5 trillion, when the cost of requiring people to purchase health insurance is taken into account.

WILL IT WIN REPUBLICAN SUPPORT BEFORE THE SUMMIT?

In a word, no.

Congressional Republicans have been nearly unanimous in their opposition to the Democratic healthcare revamp plans, and Obama's plan seemed to only harden their insistence that the best way forward is to throw them out and start over.

"Our constituents don't want yet another partisan, back-room bill that slashes Medicare for our seniors, raises a half-trillion dollars in new taxes, fines them if they don't buy the right insurance and further expands the role of government in their personal decisions," Senate Republican Leader Mitch McConnell said of Obama's plan.

"This week's summit clearly has all the makings of a Democratic infomercial for continuing a partisan course that relies on more backroom deals and parliamentary tricks," said John Boehner, the top Republican in the House.

CAN THIS HEALTHCARE PLAN PASS?

It won't win Republican votes, but Democrats might not need them.

Although they have 59 seats in the Senate, and not the 60 needed override Republican attempts to prevent a vote, Democrats could push legislation through using a particular process requiring a simple majority in the 100-member Senate.

Republicans have blasted that idea as forcing Americans to swallow an overly ambitious plan that the country cannot afford and that the public does not want. Democrats insist that the country cannot afford not to address the healthcare issue.

"As bad as things are today, they'll only get worse if we fail to act. We'll see exploding premiums and out-of-pocket costs burn through more and more family budgets," Obama said on Saturday.

WHAT IS AT STAKE?

The Democrats have a lot to lose if they can't pass healthcare legislation, after letting Obama's first year in office be largely consumed by debate over the plan.

There is a growing sense among Democrats in Congress that they are better off passing a healthcare bill than letting it die as they head into November elections in which the entire House and more than a third of seats in the Senate will be up for grabs. Republicans hope to cut into, or eliminate, Democratic majorities in both bodies.

"Democrats should push it through because this is their top domestic priority. They spent a year working on this. It's riskier for them if they do nothing than if they pass this bill," West said.

(Additional reporting by Donna Smith, editing by Will Dunham)

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