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Dems' dirty deals

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So, have you been following those health-care negotiations on C-SPAN?

OK, that was below the belt. Maybe it's unfair to expect the negotiations to be televised just because President Obama promised they would be -- at least eight times. But at least we know that the media will be able to cover the conference to reconcile differences between the House and Senate bills.

Oops, I guess we won't see that either -- because the Democratic leaders have decided to forego the traditional procedure. Instead, they'll rely on a seldom used method known informally as "ping pong," because it involves passing an amended bill back and forth until the House and Senate can agree. Doing it this way lets House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid avoid all that messy public debate and media scrutiny.

Of course, Pelosi insists that the process is "the most transparent in history." Sure. That's why we're *still* finding hidden goodies in the bill rammed through the Senate on Christmas Eve.

Now famous is the "cornhusker kickback" -- the provision that has taxpayers in states like New York picking up the cost of Nebraska's Medicaid expansion forever. But most people don't realize that there were also lesser Medicaid deals for Louisiana and Vermont as well.

What are we to make of the provision that exempts three Florida counties from cuts in the Medicare Advantage program? Or that hospitals in certain key states like Nevada also received increases in their payments under traditional Medicare, even as other hospitals were seeing their payments cut?

Nor should we forget the \$100 million slipped in for a still unnamed hospital in Connecticut; money for asbestos abatement in a Montana town; ethanol subsidies, and an exemption from a new insurance tax for companies in Michigan and (surprise!) Nebraska.

Most recently, it was discovered that the Senate bill contained a special goody for the building-trade unions, lowering the threshold for the mandate on employers to provide insurance from 50 employees to 5 for that industry.

Imagine what might've happened if this process weren't so "open" and "transparent."

Still, it's possible to sneak a peak into the back rooms and get an idea for the final deal that is beginning to take shape. Among the likely outcomes:

The "public option" is dead: Liberals are starting to face the fact that the final bill won't contain a government-run insurance plan to compete with (and eventually supplant) private insurance. Instead, there will be a "semi-public" option: national private insurance plans overseen by the federal Office of Personnel Management and resembling the Federal Employee Health Benefit Plan.

Costs are going up: In exchange for dropping the public option, House liberals are demanding a rise in subsidies to help people pay for insurance. There's also a push to speed up the date when these subsidies and other benefits kick in. As a result, the bill's price range is rapidly rising to more than \$1 trillion over its first 10 years.

So are taxes: Obama has now thrown his support behind a Senate proposal for a 40 percent excise tax on so-called Cadillac insurance plans. Still, House members, backed by labor unions and liberal activists, are holding out in favor of higher income taxes on "the wealthy." Some brand-new taxes are now being discussed, including a new tax on investments. This one could still derail the whole thing.

Abortion remains the ticking time bomb: Both pro-life and pro-choice Democrats are threatening to bring down the bill over language on government funding of abortion. This is a moral issue for both sides that doesn't easily allow for splitting the difference.

Democrats can't afford to lose a single vote in the Senate and have just a three-vote margin in the House. If they're going to resolve these and other important issues in ways that keep both liberal House members and moderate senators on board, it won't be pretty. The final outcome is likely to have a lot more to do with special deals than with good public policy.

No wonder they don't want us to see it.

Michael Tanner, a Cato Institute senior fellow, is the co-author of "Healthy Competition: What's Holding Back Health Care and How to Free It."