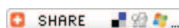


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## POLITICS

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### The emerging divide on health care

By: **SUSAN FERRECHIO** and **JULIE MASON**

Washington Examiner

06/14/09 10:10 PM EDT

President Barack Obama is headed to Chicago to address the American Medical Association — a powerful group wary of his idea to include a government-run option in a Democratic health care plan. Whether he succeeds in his push for a federal insurance provider and who the plan will require to have mandatory coverage are central issues in the reform debate.



There once seemed to be enough Democratic votes to pass the plan with a big government component and mandatory insurance for all. But those issues, amid ballooning deficit spending, has some moderate Democrats looking for a way to make the Obama plan more politically palatable.

#### Paying for the plan

- The White House has estimated the cost of reforming the nation's health care system will be about \$1.2 trillion over 10 years, and has set aside half that amount in the federal budget. The Congressional Budget Office will soon provide its own cost estimate. Various options are under consideration for funding the balance. President Barack Obama has proposed paying for health care by setting a 28 percent limit on tax deductions — such as those on charitable contributions and mortgage interest — for upper-income wage earners. He also would raise money through cost savings in Medicare and Medicaid.
- Other proposals would tax salty snacks, sugary soft drinks, alcohol and more. But so-called "sin taxes" are politically unpopular and have powerful lobbyists opposing such measures.
- Some lawmakers support taxing employer-provided health benefits, either for workers earning above a certain salary threshold or for benefits valued over a certain amount. Such benefits are not currently taxed. Despite campaign attacks on John McCain for a similar proposal, Obama is now open to the idea.
- Some sectors of the health care industry are proposing voluntary savings and other measures to bring down costs as a bartering effort to head off government intervention in health care.

—Julie Mason

"This really isn't, to me, a matter of right or wrong," Sen. Kent Conrad said on CNN's "State of the Union." "This is a matter of: Where are the votes in the United States Senate?"

Obama says he will not tolerate "endless delay" on health care reform legislation, but disagreements among lawmakers are growing so quickly that some think a bill may never happen at all, never mind this year.

The House and Senate are expected to begin considering legislation this week and Democratic leaders have set an early August deadline to pass a bill out of both chambers. Obama told Congress he wants a final bill to clear Congress by October.

But some experts think those dates are beginning to sound far-fetched.

"The Democrats are on five or six different pages right now, let alone getting any Republicans on board," said Mike Tanner, a health care scholar at the Cato Institute, a libertarian think tank. "They are a long way from getting any consensus."

At the center of the dispute is whether to include a government-run option that competes with private insurance plans, with centrist Democrats and Republicans opposed to the creation of a public plan,

and liberal Democrats in favor of it. Lawmakers are even more divided over how to pay for health care reform that is estimated to cost \$1 trillion.

Senate Finance Committee Chairman Max Baucus, D-Mont., is proposing a tax on health care benefits, but House lawmakers don't like that approach and are working on a way to raise revenue through other kinds of taxes.

And Senate Budget Committee Chairman Kent Conrad, a moderate Democrat from North Dakota, wants to do away with the government-run plan in favor of a health care cooperative, but many liberal Democrats don't like that idea.

On Friday, various factions of House Democrats met to discuss how to pay for it and what should be included, with very little consensus, other than on the fact that there is a lot to disagree about.

Things are likely to get only worse this week, when the Congressional Budget Office puts out estimates for what health care reform will cost. Those figures are expected to be staggering and will provide a chance for Republicans to draw moderate Democrats away from the idea.

The longer the health care debate goes on, the harder it will be to get consensus, Tanner pointed out.

"If it goes to the end of the year," Tanner said, "it won't pass."

#### Public Options

The public option as conceived by Barack Obama would allow consumers the choice between private insurance and government-provided health care.

- Obama has said including a public option will force private insurers to compete and bring down costs for everyone.
- Opponents, include Republicans in Congress, are leery of turning over health care to government control.
- Insurance companies are opposed to it, saying it will hurt business, and the American Medical Association warns

#### Mandatory Insurance

President Barack Obama during the presidential campaign steered clear of calling for mandatory, universal health care coverage. More recently he has signaled a willingness to consider requiring all Americans to be covered, if there is a hardship waiver for those who can't afford it.

- Obama also wants to exempt certain small businesses from having to cover their employees — a move that tracks Massachusetts health care reform measures.
- Massachusetts in 2006 reformed its health care system, but soon after had to raise taxes and fees to pay for universal care.

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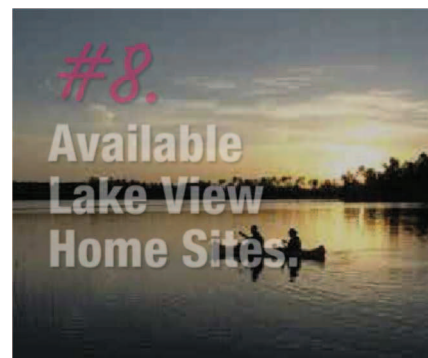
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—Timothy P. Carney



a public option would prevent consumers from seeing their own doctor.

- Lawmakers are considering a cooperative health care plan as an alternative to the public option. The co-op would be created for members but not be run by the government.
- Some Democrats, notably House Speaker Nancy Pelosi, have said they won't accept a co-op system in lieu of a public option. The White House is vowing to be flexible.  
—JM
- Opponents of universal care, including many Republicans, object to the nanny-state prospects of a mandate from the government to obtain health insurance.
- Under the mandate proposal, consumers who do not obtain health care and failed to qualify for a waiver could face tax penalties. An alternative proposal would automatically enroll all Americans in some form of health care plan and require individuals to take action to opt out.
- Free-market proponents argue that creating more flexibility and competition in the market would bring down the cost of health care without a government mandate.  
—JM

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**Reader Comments**

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**RHO1953**

Jun 14, 2009

Polls show that over 70% of us are satisfied with our health care. Now we are getting all these proposals to tax our health care plans, raise taxes on soft drinks, etc. This administration has a new tax increase proposal every day. All I want from the government is for it to LEAVE ME ALONE!!!! Quit trying to run my life! Quit trying to tax me into poverty! Can you say "Barack Hussein Obama, the biggest taxer and spender in history is a one-term loser"?

**Watermark0n**

Jun 14, 2009

All I want is for obnoxious, lying idiots like the above to shut up.

**Watermark0n**

Jun 14, 2009

I am so going to enjoy seeing right wingers cry when they are straddled with working health care, a working government, and the next Obama administration. :)

**Rick**

Jun 15, 2009

Why spend trillions of tax dollars on a new health care idea when the main concern is the cost of our existing health care?

Remember the formation of the Department of Energy in the 70's? The goal was to make us independent of foreign oil. After billions of dollars and thousand's of unionized bureaucrats now on the payroll, just how did that work?

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