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## Obama unveils his US\$950B health plan

Patricia Zengerle, Reuters



Barack Obama issued his first formal proposal to revamp the U.S. health-care system yesterday and set the stage for a televised confrontation with rival Republicans. Here are some questions and answers about the proposal and the bipartisan health-care summit set for Thursday.

### HOW MUCH OF OBAMA'S PLAN IS NEW?

It largely resembles the health-care bill passed by the Senate in December with a few tweaks intended to broaden its appeal. For example, Mr. Obama's new plan expands tax credits for middle-class workers, to combat fears 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 labour unions, whose members typically have such health coverage. And it eliminates a special deal exempting 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, a left-leaning think tank in Washington.

### THE PLAN'S COST?

The White House pegs the cost at US\$950-billion over 10 years, about US\$80-billion more than the Senate plan. The administration insists the measure would not only pay for itself, it would reduce the U.S. budget deficit over the next decade. The nonpartisan Congressional Budget Office estimated the Senate bill would cut the federal deficit by US\$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 US\$2.5 trillion, when the cost of requiring people to purchase health insurance is taken into account.

### CAN THIS PLAN PASS?

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

Although they have 59 seats in the Senate, not the 60 needed override Republican attempts to

prevent a vote, Democrats could push legislation through using a particular process requiring a simple majority.

Republicans have blasted that idea as forcing Americans to swallow an overly ambitious plan the U.S. cannot afford. Democrats insist the U.S. cannot afford not to address the health care 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," Mr. Obama said on Saturday.

#### REPUBLICAN SUPPORT?

No. Congressional Republicans have been nearly unanimous in their opposition to the Democratic health-care revamp plans, and the latest version seemed to only harden their insistence the best way forward is to throw them out and start over.

"Our constituents don't want yet another partisan, backroom 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," said Mitch McConnell, the Senate Republican Leader.

"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.

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