Investors.com - No Health Care Middle Ground As Dems And GOP Scor...

http://www.investors.com/NewsAndAnalysis/Article.aspx?id=504047



No Health Care Middle Ground As Dems And GOP Scorn Co-Ops

By SEAN HIGGINS, INVESTOR'S BUSINESS DAILY Posted 11:22 AM ET

Sen. Kent Conrad, D-N.D., has hoped to break the gridlock in Washington by replacing the public option with health care co-ops. But both sides are so dug in that his idea has made little progress.

Liberals have scorned co-ops as a retreat from creating a government insurer. Conservatives see it as a public option by another name.

"The only reason it is getting any play at all is because the public option is on the downside right now, we think," said Merrill Matthews, director of the Council for Affordable Health Insurance, which represents insurers.

Conrad, Senate Budget Committee chairman, told Fox News Thursday that the co-ops would be "member ship-owned and membership-run" and a "nonprofit alternative to for-profit insurance companies."

Doctors, hospitals and/or businesses could form co-operatives at the national, state and local levels. Small businesses and individuals could buy in to get coverage and have a vote on co-op management.

Conrad wants about \$6 billion in taxpayer funds to help start up and initially run the co-ops. They also would be subject to various federal regulations, such as being unable to turn away anyone who could afford the membership fee.

But eventually, the plan would be to spin them into private entities.

Conrad doesn't envision any co-ops operating before 2013. He also has yet to introduce a bill and likely won't for a few weeks.

Timothy Jost, a law professor at Washington and Lee, and a backer of a public option, said Conrad's plan comes down to seed money.

"Co-ops are, as far as I know, legal anywhere," he said. "If this was a viable option for providing health insurance somebody would have thought of it before Senator Conrad and we'd see them appearing in various places. But we don't."

Co-ops have attracted some very tentative GOP support. Sen. Mike Enzi, R-Wyo., said he was "considering" them in a USA Today op-ed. Sens. Chuck Grassley, R-Iowa, and Richard Shelby, R-Ala., have expressed openness to the idea without endorsing it.



Most Popular



Investing Tip

Broad diversification is often a hedge for ignorance.

No other senator appears to be giving even that level of support. Conrad's office was uncertain how many co-sponsors he expects.

"It is too early to say," said Conrad spokesman Sean Neary.

Co-Ops Or Co-Opted?

Senate Majority Leader Harry Reid, D-Nev., has said he is open to the idea — as long as it closely resembled a public option.

"We're going to have some type of public option, call it a 'co-op'. Call it what you want," he told reporters last month.

Sen. Chuck Schumer, D-N.Y., said earlier this summer that he could back co-ops if the president named the board, among other conditions.

Such comments have helped solidify conservative opposition to co-ops. Sen. Jim DeMint, R-S.C., told Fox News on Tuesday that GOP supporters would be "betraying the American people."

Senate Minority Leader Mitch McConnell, R-Ky., isn't a fan either.

"His basic concern is that if the government backs a co-op, it becomes another Fannie or Freddie" and may have to be bailed out, said spokesman Don Stewart.

In a Redstate.com post, founder Erick Erickson told Enzi to "shut up" about co-ops because "it will not foster competition, it will just insert the government referee into the health insurance business."

Failure Is Not An Option

For liberal groups, any overhaul that does not include a public option will be seen as a failure. They rebelled this week after administration officials hinted that the public option might be dropped.

Health Care for America NOW, a coalition that includes Big Labor, Moveon.org and others, rejected co-ops in a posting on its Web site.

"Conrad's co-ops will not bring costs down, save our economy, or allow us to choose a viable public option if we don't want to be at the mercy of private insurance," the statement read.

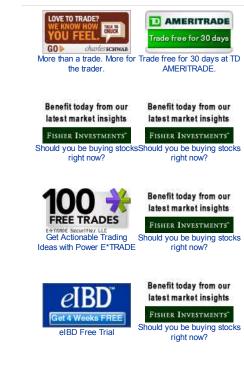
During a conference call with supporters Thursday, Obama reaffirmed his support for a public option, though he called it "just one part" of a broad overhaul. He did not cite co-ops as an alternative.

Michael Cannon, health policy analyst for the free market Cato Institute, says liberals may be missing an opportunity with co-ops.

"(The co-ops) are not private at all," he said. "They are just promising to make them private."

Avg. Rating:	(3) Your Rating: ☆☆☆☆☆
Email Print	Comment 🛛 📴 BOOKMARK 📲 🎡 🧶 License

Trading Center



- Lessons on Buying Stocks
- Lessons on Selling Stocks
- What is CAN SLIM?
- How to Invest in Options
- Investing Education Videos



Apply by September 1st to cash in on scholarship for working mothers



Will snoring be your death sentence?



Trainer to the stars discovers a natural supplement for building strength and endurance

Provided by: ARA lifestyle.com



- Officials In Iraq Cracking Down On Internet Use 08/04/2009 06:27 PM ET
- Leroy Grumman's Craft Plans Gave America A Sky-High Lift 08/03/2009 07:30 PM ET

Comments No Corr	Leave a comment ments			
Leave a Comment				
Back to Top				
To participate in Community	y areas, please Sign In or Register			
	Washington Post Digital	The Best Penny Stocks	IBD [®] Home Study Program	
		Exposed	Take IBD's Level I Investing Workshop on Your Schedule! Check It Out	
Home About IBD	Media Kits			
Licensing Contact	us Partner Program Retail Locations IBD	Editorials CAN SLIM Advisors	Affiliate Program	
INVESTOR'S BUSINESS DAILY	Investor's Business Daily, IBD and CAN SLIM and © 2000-2009 Investor's Business Daily, Inc. All right			onditions of Use
"William Q'Neil+Co.	© 2009 William O'Neil + Co. Incorporated. All Righ O'Neil + Co. Incorporated and are used by IBD un Incorporated or its subsidiaries.			
	This site is powered by Interactive Data Corp. Real believed accurate but is not warranted or guaranter Services terms. All times are Eastern United States	ed by Interactive Data Corp. Real Ti		