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Health Care: Now's the Hard Part

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Harry Reid finally begged, cajoled and bribed enough votes to pass a health-care-reform bill through the Senate. But before Democrats break out the champagne, they should realize that the road to final passage hasn't gotten any easier.

The bill must now go to a conference committee to resolve significant differences between the House and Senate versions. And history shows that agreement is far from guaranteed.

In fact, just last year, a bill reforming the Indian Health Service died when the conference committee couldn't overcome its differences on abortion. Similarly, in 2007, bills dealing with issues as varied as campaign-finance reform, corporate pensions and closing tax loopholes passed both chambers but never became law.

In some cases, the conference committee deadlocked. In others, the House and Senate couldn't even agree on whom to appoint to the committee. And in a highly publicized battle early in the Bush administration, both the House and Senate passed legislation opening the Arctic National Wildlife Refuge to oil exploration, but the conference committee could never find language acceptable to both chambers. The bill died, and ANWR remains closed to drilling.

It's important to remember that the House bill passed with just three votes to spare and the Senate bill received exactly the 60 votes needed for passage. Democratic leaders have little room to maneuver as they try to resolve such issues as:

The Public Option: The Senate rejected the concept of a government-run insurance plan to compete with private insurance. Sens. Joe Lieberman (I-Conn.) and Ben Nelson (D-Neb.) made it clear that inclusion of the so-called public option would cause them to join a Republican filibuster. They are justifiably concerned that a taxpayer-subsidized government plan would drive private insurance out of the market and lead to a single-payer government-run system.

But the House did include a public option -- and retaining it has become the top priority for the Dems' liberal wing. Public-option advocates seemed willing to go along with a proposed Medicare "buy-in" for those 55 to 64, but even that compromise was dropped from the final Senate bill. Now Rep. Anthony Weiner (D-Brooklyn), among others, has made it clear his vote is in doubt if the final bill does not include some form of public option. And such liberal activist groups as Moveon.org have promised to spend the holiday vacation pressuring their allies to fight for the public option.

Taxes: Both the House and Senate versions contain huge tax hikes, but they take completely different approaches toward *which* taxes are hiked and who would pay them.

The Senate wants to slap a 40 percent excise tax on "Cadillac" insurance plans. But there's widespread recognition that insurers will merely pass the tax on to their customers in the form of still higher premiums. And as inflation drives costs higher, more and more plans will be subject to the tax.

While economists and deficit hawks in the Senate see the measure as one of the few cost-control provisions left in the bill, the insurance tax is anathema to labor unions and other powerful Democratic constituencies. It would also break President Obama's pledge not to raise middle-class taxes.

The House, on the other hand, has gone with a "soak the rich" strategy -- calling for a surtax on incomes of \$500,000 or more a year. But Democrats already plan to allow the Bush tax cuts to expire next year, raising income taxes for millions of Americans. An income-tax surtax on top of that would mean marginal tax rates of more than 50 percent in high-tax states like New York. That's a tax increase too far for many Senate Democrats.

Abortion: Sen. Ben Nelson (D-Neb.) forced Senate Democrats to include language restricting federal funding of abortion. But that compromise is already under attack from both sides. Rep. Bart Stupak (D-Mich.), author of tougher anti-abortion language included in the House bill, has said that he won't support the Nelson language. Other anti-abortion legislators, including Joseph Cao of Louisiana (the only Republican to vote for the House bill), have said that they'll vote against the final bill unless it includes Stupak's language.

Yet, abortion-rights advocates in the House, including Rep. Louise Slaughter (D-NY), have written to Speaker Nancy Pelosi, threatening to withhold their support if the final bill includes either the Stupak or Nelson restrictions. "We will not vote for a conference report that contains language that restricts women's right to choose any further than current law," they wrote.

There are also differences over an employer mandate (the House includes one, the Senate more or less doesn't), an individual mandate (the House has strict financial penalties backed up by jail time, the Senate watered down the penalties considerably), and special favors (everyone now wants a deal like the one Sen. Nelson got, with the federal government picking up Nebraska's share of higher Medicare costs).

Democratic leaders may yet twist enough arms, promise enough pork and fudge enough language to get a final bill passed. But they'll have to do so amid a rising tide of public opposition.

No wonder the White House now says it expects January's health-reform talks to last into February, past President

Obama's State of the Union address. The hard part may be just beginning.

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