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## WEEKLY UPDATE ON HEALTH CARE REFORM

February 11, 2010

While the rest of Washington, D.C. was paralyzed this week by record snowfall, the debate over healthcare reform raged on. President Obama's effort to jump-start negotiations by proposing to host a televised, bi-partisan session later this month with House and Senate leaders was greeted coolly by both sides. Although both sides are expected to show up for the session, no one really expects it to produce anything even close to an agreement. And the prevailing sentiment, even among Democrats, is that the prospects for passing their comprehensive reforms are now slim. Accordingly, Democrats appear to be carrying on with the piecemeal approach they began with the bill to repeal the insurance industry's antitrust exemption, discussed in last week's update.

There are rumors that the next step will be introduction of a bill that would essentially set up a framework similar to the health insurance Exchanges in the comprehensive House and Senate reform bills, but limited to offering insurance to small businesses (defined as having 100 or fewer employees) and self-employed individuals. The bill would establish a national health insurance purchasing group for this purpose, which would be administered by the U.S. Department of Health and Human Services. HHS would contract with carriers to provide coverage and with other entities to serve as "navigators" to assist with enrollment, and would be authorized to establish requirements and premium-setting rules, including community rating, for health plans offered through the program. Tax credits would be made available to qualified small businesses (50 or fewer employees) that offer their employees coverage through the program. The bill is reported to be nearly identical to one introduced in the Senate in 2008 and again in 2009 by Senators Durbin (D-IL), Snowe (R-ME), Lincoln (D-AR), and then-Senator Coleman (R-MN).

This bill has not been introduced yet, so at this point, it is impossible to predict whether it would pass. In the meantime, we will continue to follow developments concerning the comprehensive reform bills.