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EDITORIAL

On the Verge of Reform

The best chance in decades of fixing this country's broken health care system has now come down to whether the House's Democratic majority will approve the already strong Senate version of the bill — with a promise of some changes.

On Thursday, Speaker Nancy Pelosi unveiled a package of amendments that would, on balance, make the Senate bill better. House Democrats should do what is best for all Americans and approve it.

They can then challenge the Republicans — who are refusing as a bloc to support reform — to explain in this fall's campaign why they are so devoted to a status quo that denies affordable health care to tens of millions of uninsured Americans and means that millions more Americans could be just one layoff away from losing their coverage.

Even without amendments, the Senate bill is well worth passing. It would cover some 31 million of the uninsured by 2019, force the insurance companies to stop refusing coverage or charging high rates based on pre-existing conditions, reduce deficits over the next two decades, and make a start at controlling the costs of both insurance and medical care.

The amendments would first be voted on in the House and, if the package passes, in the Senate under reconciliation rules that require only a majority. They would make a strong bill stronger.

According to the official scoring by the Congressional Budget Office, it would cover slightly more of the uninsured. And it would cut deficits more sharply — by \$138 billion over the first 10 years compared with \$118 billion under the Senate bill, and by even greater amounts in the second decade. It would accomplish both of those with some additional, but still reasonable fees, taxes and Medicare savings.

Struggling to comply with the very stringent rules governing reconciliation bills, the Democrats made some reasonable trade-offs between enhancing benefits and finding additional savings and revenues.

Their package would increase the Senate bill's subsidies to help low- and middle-income people pay for insurance in the initial years, scaling them back in more distant years. It would do a bit more to help close a gap in Medicare coverage for prescription drugs (the so-called doughnut hole), a welcome benefit for chronically ill beneficiaries who run up big drug costs. It would also remove some of the noxious special deals inserted in the Senate bill to win the support of fence-sitting senators.

It is disappointing that the reconciliation package would postpone for several years the strongest cost-cutting feature in the Senate bill: an excise tax on insurers who issue high-cost policies. But the retreat is not disabling. The main cost-cutting feature — an annual index that would subject more and more plans

to the tax and encourage workers and employers to find cheaper coverage — has actually been strengthened.

To make up for the loss of revenue from the excise tax and help cover the enhanced benefits, the reconciliation package would extend the Medicare payroll tax for high-income Americans to include investment income, putting the burden on people who can clearly afford it. And it would squeeze even more savings out of the private Medicare Advantage plans that receive heavy and clearly unfair subsidies to participate in Medicare.

All told, these and other modest changes to the Senate bill look reasonable. Liberals in Congress need to recognize that this is about the most generous package of benefits that can possibly be passed in the midst of recession. And fiscal hawks need to recognize that this bill would reduce deficits more than any in recent years.

Like most historic legislation, the process leading up to these last votes has been agonizingly long, relentlessly frustrating, and far too easy for opponents to misrepresent and demagogue. But a willingness to compromise and good sense should prevail. The country needs comprehensive health care reform.

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