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EDITORIAL

## The President's Plan

Perhaps if Senator Edward Kennedy had lived longer, or the election to choose his successor had turned out differently, President Obama's decision to have Congress take the lead on health care reform would have looked like a political masterstroke. It didn't turn out that way.

It is a relief to see Mr. Obama fully engaged.

The president was right to invite Republican leaders to a health care summit this week. He should hear them out but also challenge them — directly — to come up with credible ideas that would both expand coverage for tens of millions of uninsured Americans and begin to rein in out-of-control medical costs. For too long they have been allowed to obstruct and demagogue.

And Mr. Obama will need to keep pushing in the days that follow and stiffen the spines of any wavering Democrats.

Most important, Mr. Obama needs to clearly explain the stakes to the American people. Reform is essential for Americans who have no health insurance. But it is just as crucial to the millions more who are just one layoff away from losing their coverage, and many millions more who watch with fear as the cost of care and their insurance premiums rise relentlessly.

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Mr. Obama took an important step on Monday by issuing, at long last, his own detailed proposals for reform.

The most basic facts to keep in mind are that [Mr. Obama's plan](#), which builds on a sound bill already passed by the Senate, would provide coverage to more than 30 million uninsured people while reducing future deficits and beginning to rein in medical costs.

Mr. Obama's plan also adds important new features that should make it more attractive to House Democrats and to the general public.

His boldest new idea is to give the federal government powers, in conjunction with state insurance regulators, to reject excessive premium increases. Anyone who read in horror, as we did last week, about rate increases of up to 39 percent for some California clients of Anthem Blue Cross should find that idea a particular relief.

For low- and moderate-income people worried that they will be forced to buy insurance they can't afford, a proposal of his would beef up tax subsidies to help them buy policies and make the penalties for ignoring the mandate somewhat less onerous.

For older Americans, Mr. Obama would gradually close the so-called doughnut hole, a gap in Medicare's drug coverage that leaves many elderly beneficiaries unable to pay for their medicines.

For deficit hawks, Mr. Obama would retain an important cost-control measure: a proposed tax on high-cost, employer-sponsored insurance policies. But he would make it more palatable to workers by raising the thresholds and delaying imposition of the tax for all workers — not just those in unions — until 2018. That retains its ability to lower costs over the long term.

His plan also provides important relief for cash-strapped states that say they can't afford to expand their Medicaid rolls — another essential step to covering the uninsured. It would give a generous matching-fund rate to all states to cover newly eligible enrollees, and it jettisons the special deal granted to Nebraska — to win Senator Ben Nelson's vote — that would have had Washington paying the full cost, in perpetuity, of just one state's Medicaid expansion.

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The president's proposals are far from perfect. We wish he had included a public plan. And we regret that he accepted the Senate's decision not to require employers to provide insurance. He would boost the payments required of employers whose workers end up needing public subsidies to help them buy their own coverage.

In all, the administration estimates the cost of Mr. Obama's proposals — \$950 billion over 10 years — would be more than offset by new revenues and would reduce the deficit by \$100 billion over the next decade and by about \$1 trillion in the decade after that.

As they consider all this, Americans also need to keep in mind what Republican leaders mean when they talk about health care reform. All of their ideas have these basic facts in common: they would not reduce the number of uninsured Americans substantially; they would not guarantee affordable coverage for people with pre-existing conditions; they make only feeble attempts to rein in medical costs; and their proposals to slow the rise in the cost of premiums would mostly benefit the healthy. That is not enough.

Mr. Obama's proposals provide a firm basis for both the Senate and House to move forward with comprehensive reforms. If the Republicans resort to filibusters to block passage, the Democrats should use a budget reconciliation procedure that requires only a majority vote for passage in the Senate.

This may be the last best chance for decades to come to reform the nation's broken health care system. Mr. Obama and Democratic leaders should fight to win.

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