

## TIME FOR RECESS

This week the members of the Senate will join their colleagues in the House for a month-long recess from the legislative session. During this summer break, Representatives and Senators are expected to return to their communities and hear from constituents on the issue of health care reform. A media firestorm on this issue is anticipated, as lobbyists and interests groups from all angles ratchet up their campaigns via television, the internet and newspapers. Expect to see substantial debate, discussion, headlines, and even political grandstanding on this topic over the coming weeks, even though no new actual legislative movement is anticipated. Further, many communities are holding town hall forums to address and discuss health care reform. While the intent of these forums is to provide clarification around the health care issue, it is likely that disruptions and protests by individuals from both sides of the debate will occur.

The following summarizes recent legislative developments from the health reform debate.

- By a 31-28 vote, the House Energy and Commerce Committee passed a health reform bill. Passage of the bill was assisted by securing support of some Blue Dog Democrats who initially opposed the bill. Concessions were made to secure their support, including:
  - Requiring the public plan to negotiate provider reimbursements on a more favorable basis than current Medicare reimbursement rates; and
  - Exempting a greater number of small businesses from the required employer contribution toward health care (“Pay or Play”).
- Reform bills have now been passed by all three House Committees with control over health reform legislation. After the recess, the matter will move to the House floor for continued debate and an eventual vote.
- While the issue of a public plan option remains hotly contested, the House bills and Senate HELP Committee bill both include a public plan under a health insurance exchange. It is unclear whether the Senate Finance Committee, which has yet to release their bill, will include such an option.
- Senator Max Baucus, chairman of the Senate Finance Committee, indicated he expects to release his Committee’s reform bill by September 15, 2009. Baucus has been working closely with a small, bi-partisan group of Senators to develop a reform plan that may deviate from earlier bills by not including a public plan option. Further, the bill is expected to address financing proposals to pay for reform, including changes to the current tax treatment of employer-provided

health benefits. Republican Committee members indicate they have not signed off on a September 15 deadline for introducing a bill. Time will tell whether the Committee will have consensus by this September target date.

- The President invited the six members of the bi-partisan Senate group working on health care reform to a meeting at the White House. In this meeting, the President reiterated that work on a bi-partisan solution should continue. He also stated that reform must be achieved this year. In earlier comments, the President indicated he is willing to push forward with a reform package without bi-partisan support in order pass legislation this year.

We will continue to follow the health care reform debate and provide timely updates as information develops.

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