Health care overhaul clears key procedural vote, 60-40

By Sara Wyant

Landmark health care legislation passed its sternest Senate test in the pre-dawn hours early Monday when the U.S. Senate voted 60-40 to cut off debate on a manager's amendment, clearing the way for final passage on Christmas Eve. The vote to cut off a Republican filibuster was the last major hurdle for Democrats, capping nearly a year of fierce debate and putting President Obama in position to claim a major victory during his first year in office.

Democrats said the legislation would provide insurance to millions of uncovered Americans and help reduce the deficit over time. Republicans argued the will boost the deficit, harm economic recovery efforts and result in poorer medical care for many who currently have health insurance benefits. Several different interest groups marched outside of Senate offices last week, both in support and opposition to the vote.

Three more procedural votes still must be cleared before a final vote, tentatively scheduled for 7 pm on Christmas Eve. The 2,700 Senate package must also be reconciled with substantially different provisions in the House version.

"Today, the Senate took another historic step toward our goal of delivering access to quality, affordable health care to all Americans," said Senate Majority Leader Harry Reid. Our manager's amendment makes a good bill even better. The Congressional Budget Office (CBO) confirmed that with the revisions we've made to our bill cuts the deficit by $132 billion dollars in the next ten years, while providing health care to an additional 31 million Americans.

Among other things, the CBO says the legislation would establish a mandate for most legal residents of the United States to obtain health insurance; set up insurance exchanges through which certain individuals and families could receive federal subsidies to substantially reduce the cost of purchasing that coverage; significantly expand eligibility for Medicaid; substantially reduce the growth of Medicare's payment rates for most services (relative to the growth rates

projected under current law); impose an excise tax on insurance plans with relatively high premiums; and make various other changes to the federal tax code, Medicare, Medicaid, and other programs.

However, there are some provisions in the bill, designed to win support of various lawmakers, which are difficult to decipher because they are defined in rather mysterious ways.
One provision would increase Medicare payments to hospitals and doctors in any state where at least 50% of the counties are "frontier counties," defined as those having a population density less than six people per square mile. The manager's amendment does not say, but the New York Times, citing the CBO as the source, says the language refers to Montana, North Dakota, South Dakota, Utah and Wyoming.

It was widely reported that the last Democratic holdout, Ben Nelson of Nebraska won a tightening of rules to ensure that no federal money allocated under the bill is used to fund abortions and got more federal dollars to cover Medicare costs in his state. Democratic leaders also threw in $10 billion in spending on community health centers to win additional support.

Here is an overview of some of the key provisions in the manager's amendment for The Patient Protection and Affordable Care Act, as provided by Majority Leader Harry Reid's office.

More Accountability for Insurers

- ✓ **Stronger medical loss ratios**. Health insurers will be required to spend more of their premium revenues on clinical services and quality activities, with less going to administrative costs and profits – or else pay rebates to policyholders. These stricter limits will continue even after the Exchanges begin in 2011, and apply to all plans, including grandfathered plans.

- ✓ **Accountability for excessive rate increases**. A health insurer's participation in the Exchanges will depend on its performance. Insurers that jack up their premiums before the Exchanges begin will be excluded – a powerful incentive to keep premiums affordable.

- ✓ **Immediate ban on pre-existing condition exclusions for children.** Health insurers will be immediately prohibited from excluding coverage of pre-existing conditions for children.

- ✓ **Patient protections**. Health insurers will have to abide by a set of patient protections that, for example, protect choice of doctors and ensure access to emergency care.

- ✓ **Ensuring access to needed care.** The use of annual limits on benefits will be tightly restricted to ensure access to needed care immediately, and will be prohibited completely beginning in 2014.

- ✓ **Guaranteed opportunity to appeal coverage denials**. All health insurers will be required to implement an internal appeals process for coverage denials, and states will ensure the availability of an external appeals process that is independent and holds insurance companies accountable.

Creating Choice and Competition

- ✓ **Multi-state option**. Health insurance carriers will offer plans under the supervision of the Office of Personnel Management, the same entity that oversees health plans for Members of Congress. At least one plan must be non-profit, and the plans will be available nationwide. This will promote competition and choice.

- ✓ **Free choice vouchers.** Workers who qualify for an affordability exemption to the individual responsibility policy but do not qualify for tax credits can take their employer contribution and join an exchange plan.

Making Health Care More Affordable

- ✓ **Innovation.** Medicare will be able to test new models and, if successful, implement them via a stronger Innovation Center, Independent Payment Advisory Board, and other authorities.

- ✓ **Transparency**. New requirements will ensure that insurers and health care providers report on their performance, empowering patients to make the best possible decisions.

- ✓ **Small businesses.** A package of improvements include starting the health insurance tax credit in 2010, expanding eligibility for the credit, and improving the purchasing power of small businesses.

Increasing Access to Quality Care for Seniors, Children and Vulnerable Populations

- ✓ **Quality of care in Medicare**. Seniors will benefit when additional health care providers are reimbursed by Medicare for the quality of care they deliver, not the quantity of services they provide.

- ✓ **Children's health**. Support will be extended for the Children's Health Insurance Program and the adoption tax credit. Foster care children aging out of Medicaid will be able to retain its comprehensive coverage.

- ✓ **Community Health Centers.** A substantial investment in Community Health Centers will provide funding to expand access to health care in communities where it is most needed

- ✓ **Rural and underserved communities.** Access will be expanded through funding for rural health care providers and training programs for physician and other types of health care providers.

- ✓ **Vulnerable populations.** A range of new programs will tackle diseases such as cancer, diabetes, and children's congenital heart disease, will improve the Indian Health System, and will provide support for pregnant teens and victims of domestic violence.

Identifying Alternatives to Litigation

- ✓ **Testing new models.** States will be eligible for grants to test alternatives to civil tort litigation that emphasize patient safety, disclosure of health care errors, and early resolution of disputes, with a provision for patients to opt-out of these alternatives at any time. Alternatives will be evaluated to determine their effectiveness.