



Pelosi unveils \$894B House health plan

Would extend coverage to 36 million, requires employers to offer insurance

BREAKING NEWS

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WASHINGTON - After months of struggle, House Democrats unveiled sweeping legislation Thursday to extend health care coverage to millions who lack it and create a new option of government-run insurance. A vote is likely next week on the plan patterned closely on President Barack Obama's own.

Speaking on the steps of the U.S. Capitol, Speaker Nancy Pelosi said Congress was "on the cusp of delivering on the promise of making affordable, quality health insurance available to every American — and laying the foundation for a brighter future for generations to come."

Officials said the measure, once fully phased in over several years, would extend coverage to 96 percent of Americans. Its principal mechanism is creation of a new government-regulated insurance "exchange" where private companies could sell policies in competition with the government. Federal subsidies would be available to millions of lower-income individuals and families to help them afford the policies.

The ceremony marked a pivotal moment in Democrats' yearlong attempt to answer Obama's call for legislation to remake the nation's health care system by extending insurance, ending industry practices such as denying coverage on the basis of pre-existing medical conditions, and slowing the growth of medical spending nationwide.

Democrats issued a statement saying their measure "lowers costs for every patient" and would not add to federal deficits. They put the cost of coverage at under \$900 billion over 10 years, a total that evidently didn't include additional spending.

Pelosi was flanked by rank-and-file Democrats as she made her remarks.

Across the Capitol, Senate Democrats, too, are hoping to pass legislation by year's end. Legislation outlined by Majority Leader Harry Reid earlier this week would include an option for a government-run plan, although states could drop out if they wished, a provision not in the House measure.

The bill would require nearly everyone by 2013 to sign up for health coverage either through their employer, a government program or a new kind of purchasing pool called an exchange. Tax credits would be available for most of those buying coverage through the exchange. They would have the option of picking a new government plan or private insurance.

During the transition years from 2010-2013, a temporary government program would help people turned down by private insurers because of medical problems, lawmakers said. After that, insurers no longer could refuse to provide coverage to the sick, nor could they charge more because of poor health of the insured.

The plan also calls for a significant expansion of Medicaid, the federal-state health program for low-income people. And it would impose a requirement on employers to offer insurance to their workers or face penalties.

A concession to Democratic moderates appears to have cleared a path for Pelosi to move forward. Democratic leaders agreed to the moderates' demand that the new government insurance plan must negotiate payment levels with hospitals and doctors, instead of imposing its rates, as liberal lawmakers would have preferred.

"This has always been a matter of trying to pull together 218 votes," said Rep. Xavier Becerra, D-Calif., referring to the number needed to guarantee passage on the House floor. "There is growing confidence that we can pass it with strong Democratic support."

No Republicans are expected to vote for the sweeping legislation, which would raise taxes on upper-income earners and cut Medicare payments to insurers, hospitals and other providers to cover a price tag that tops \$1 trillion over 10 years.

"Americans' health care is too important to risk on one gigantic bill that was negotiated behind closed doors," said Rep. Dave Camp, R-Mich. "The Medicare cuts will hurt seniors, the tax increases will kill jobs and the government takeover of health care will increase premium costs."

The bill's rollout caps months of arduous talks to resolve differences between liberals and moderates and blend health care overhaul bills passed by three committees over the summer.

The House package reflects many of Obama's priorities, but plenty of work remains to be done before Congress can send him a bill to sign. The House bill differs markedly from legislation taking shape in the Senate, where Majority Leader Harry Reid, D-Nev., is trying to round up support among moderate Democrats for a modified government insurance option that states could opt out of.

Pelosi has also said the bill would strip the health insurance industry of a long-standing exemption from antitrust laws covering market allocation, price fixing and bid rigging. Democratic officials said the bill also would give the Federal Trade Commission authority to look into the health insurance industry at its own initiative.

"I'm pretty confident that we've got the right pieces in place," said Rep. George Miller, D-Calif., chairman of the House Education and Labor Committee, one of the three panels involved in writing the bill. "We can quibble over parts of it, but the fact is when you're taking a 60-year-old system that grew up in a rather haphazard fashion and you're trying to bring some coherence to it, these are sort of the things you have to do at the beginning of that process."

If Obama does get to sign a health overhaul bill, he will have bucked decades of failed attempts by past administrations, most recently by former President Bill Clinton in the 1990s. There's still no guarantee that Congress can complete the legislation before year's end, as the president wants.

Democratic leaders in the House still face disputes over prohibiting taxpayer money for abortions and health care for illegal immigrants, issues they hoped to resolve after the bill's unveiling.

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