

Hospitals, Democrats near deal on health care

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WASHINGTON (AP) — Key Senate Democrats and the White House are closing in on a deal with hospitals to help pay for President Barack Obama's proposed expansion of health coverage, at the same time they hope for a comprehensive agreement with Republicans on a bipartisan bill.

Several officials said Monday that after talks involving the White House and Sen. Max Baucus, the chairman of the Senate Finance Committee, the nation's hospitals were on the verge of signing off on a deal to reduce their anticipated payments from Medicare and Medicaid by about \$155 billion over a decade. The government then would be free to use the money to help provide health coverage to millions who now lack it.

The officials said a formal White House announcement was possible as early as Wednesday, with Vice President Joseph Biden standing in for a traveling president. The officials spoke on condition of anonymity, citing the confidential nature of the discussions.

Separately, Baucus and other Democrats on his panel have been negotiating for days with Iowa Sen. Charles Grassley and a small group of other Senate Republicans in hopes of agreeing on a bill that could command bipartisan support.

Baucus, D-Mont., is under pressure to draft legislation quickly so Democrats can keep to a timetable calling for a vote in the Senate within the next several weeks.

At the same time, Grassley faces political pressure from some Republicans opposed to handing Obama and the Democrats a bipartisan victory on such a key issue.

One key sticking point has involved the demand by some Democrats for the government to offer insurance in competition with private companies. Republicans strongly oppose the idea. Possible compromises include creation of a nonprofit cooperative to compete with insurance

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companies, rather than empowering the federal government to do it.

Democrats and Republicans also would have to agree on what, if any, requirement the legislation would impose on individuals to purchase insurance, and on large employers to subsidize it for their workers.

A second Senate committee is expected to complete work on its version of health care legislation within several days.

Separately, Democrats in the House hope to unveil a revised bill of their own later this week.

Any legislation is expected to require insurance companies to sell insurance to any customer, without denial or higher rates because of pre-existing medical conditions. Government subsidies would help the poor afford coverage.

As many as 50 million Americans now lack insurance, and Obama has said he wants to assure coverage for as many as possible. At the same time, he has set a goal of slowing the growth of health care overall.

The legislation has moved in fits and starts, and while it is unlikely any bill makes it to the president's desk for months, Obama and his aides have been cheered by two public developments in recent weeks.

In the first, the nation's pharmaceutical companies agreed to an \$80 billion package to help close a gap in prescription drug coverage under Medicare and defray the cost of any legislation that passes.

Last week, Wal-Mart, the nation's largest private employer, broke with other big firms and said it supports a requirement for many companies to offer health care to their workers.

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