House passes health-care reform bill without Republican votes

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House Democrats scored a historic victory in the century-long battle to reform the nation's health-care system late Sunday night, winning final approval of legislation that expands coverage to 32 million people and attempts to contain spiraling costs.

The House voted 219 to 212 to approve the measure, with every Republican voting no. The measure now awaits President Obama's signature. In remarks Sunday night, he said that the vote "proved that we are still capable of doing big things. We proved that this government -- a government of the people and by the people -- still works for the people."

House Speaker Nancy Pelosi and her colleagues erupted in cheers and hugs as the votes were counted, while Republicans who had fought the Democratic efforts on health-care reform for more than a year appeared despondent.

"Today we have the opportunity to complete the great unfinished business of our society and pass health insurance reform for all Americans as a right, not a privilege," Pelosi said before the House approved the bill, which first passed the Senate on Christmas Eve.

The debate has consumed Obama's first year in office, with his focus on the issue amid a deep recession and crippling job losses potentially endangering his reelection prospects and Democratic majorities in the House and the Senate. It has inflamed the partisanship that Obama pledged to tame when he campaigned for the White House and has limited Congress's ability to pass any other major legislation, at least until after the midterm elections in November.

And it has sparked a citizens' revolt that reached the doors of the Capitol this weekend.

"If we pass this bill, there will be no turning back," House Minority Leader
John A. Boehner (R-Ohio) warned on the floor. "In a democracy, you can only ignore the will of the people for so long and get away with it."

The bill will affect virtually every man, woman and child in the United States in some way, from the 20-somethings who constitute one of the largest uninsured groups to poor, childless adults who don't qualify for Medicaid in most states to well-paid professionals who could see their benefits shrink. The health-care debate touched on many highly charged moral issues in American life, and a handful of antiabortion Democrats held up a final deal until late Sunday afternoon, before reaching a breakthrough with the White House.

Along with the Senate's blueprint for reform, the House late Sunday approved a package of fixes to the legislation that will face a potentially rocky journey through the Senate this week. Over the next 10 years, the measure will set in motion a complex series of changes to the health insurance market that will translate into the biggest expansion of coverage since Medicare and Medicaid were created in 1965, and the most ambitious effort ever to restrain health-care costs.

Presidents as far back as Theodore Roosevelt have rued the nation's approach to health coverage, a system that serves relatively well the 150 million Americans who receive health insurance through their jobs but provides few affordable options for people who work part time, are self employed or work for companies that don't offer health benefits.

Obama conveyed to the wavering House Democrats who visited the White House in recent days that he had put his presidency at risk by pushing the House to act on the Senate bill. Although many House Democrats found the Senate legislation lacking, passing it was the only option after Republican Scott Brown won a Massachusetts special Senate election in January and cost Democrats their filibuster-proof majority in that chamber.

The 34 Democratic defectors were fewer than the 39 who voted against the House version approved in November, but the
number was substantial enough to underscore the political uncertainty for many Democrats, especially those who represent moderate to conservative districts.

While the vote delivers on a major Obama campaign promise, it also solidifies Pelosi (Calif.) as a political risk taker with a deep understanding of how far every member of her Democratic caucus is willing to bend. Along with Obama, Pelosi was one of the few prominent Democrats who didn't flinch when Brown won his Senate seat. Instead, she sold her caucus on the Senate legislation, orchestrating the fixes bill to address major concerns and secure enough votes for passage.

The last issue resolved before the vote was the long-standing question of whether federal subsidies in the bill could be used to pay for insurance policies that provide abortion services. A handful of antiabortion Democrats feared that the Senate language didn't provide adequate restrictions, and they refused to vote for the legislation unless the firewall was made more secure.

Democrats who support abortion rights refused to accept any legislative changes. But on Tuesday, Rep. Bart Stupak (D-Mich.), the leader of the antiabortion faction, ran into White House Chief of Staff Rahm Emanuel at the House gym, and Emanuel offered a compromise:

Obama could issue an executive order clarifying the ban on federal funding of abortion. Stupak and six colleagues eventually agreed to the executive order, which was announced by the White House on Sunday afternoon and is scheduled to be issued after the bill is signed.

"I've always supported health-care reform," Stupak told reporters, after concluding marathon talks with party leaders. But he added, "There was a principle that meant more to us than anything, and that was the sanctity of life."

On Sunday night, the House acted first on the legislation that cleared the Senate on Christmas Eve. That measure devotes $875 billion over the next decade to expanding insurance coverage, with the major changes coming in 2014. An estimated 24 million people who lack health insurance could be covered.
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access to affordable coverage through the workplace will be eligible for tax credits to buy insurance on new state-based exchanges, while nearly everyone who earns less than 133 percent of the federal poverty level -- an estimated 16 million people -- will become eligible for Medicaid.

For the first time, individuals will pay a price for refusing to buy insurance, facing fines of at least $750 a year starting in 2014. And employers with more than 50 workers that do not provide coverage may also face significant fines.

Medicare, the federal health program for people over 65, will undergo significant changes intended to deliver care more efficiently and at a lower price, with the aim of using the nation's largest insurance plan to force doctors, hospitals and other private-sector players to follow suit.

Medicare Advantage, a form of Medicare provided by private insurance companies to about 11 million seniors, will lose nearly $120 billion over the next decade, probably forcing providers to drop popular add-on benefits such as gym memberships.

The legislation also includes smaller changes that will take effect this year. In six months, new insurance policies will have to permit adult children to stay on their parents' policies until they turn 26. And small businesses with fewer than 25 employees and average annual wages of up to $50,000 will receive tax credits to offset the cost of buying insurance for their workers.

Meanwhile, insurance companies will be subject to new rules: In six months, all new plans will have to cover the full cost of preventive care, including annual physicals and children's immunizations. Insurers won't be able to require prior approval for patients who need to see gynecologists or go to the emergency room.

Children with medical conditions will no longer be denied coverage, and states will receive $5 billion to create high-risk insurance pools to provide affordable coverage to adults with preexisting conditions. Insurers will also be barred from requiring that patients obtain prior approval for treatments they need.
from imposing lifetime limits on benefits and from dropping people when they file a claim.

For seniors, the bill will immediately expand the Medicare drug benefit and, effective July 1, provide a 50 percent discount on brand-name drugs for the low-income elderly.

Many provisions of the Senate bill would be altered by a separate package of amendments that the House also approved Sunday, by a vote of 220 to 211. That package now goes across the Capitol to the Senate under special rules, known as reconciliation, that protect it from a Republican filibuster.

Compared with the Senate bill, that measure would offer more generous subsidies to people eligible for federal help buying insurance. Tax credits would be available to families earning as much as 400 percent of the federal poverty level -- or about $88,000 a year for a family of four -- who would be assured of spending no more than 9.5 percent of their income on insurance premiums in 2014.

The reconciliation package would also gradually close the gap known as the "doughnut hole" in Medicare prescription drug coverage, which leaves many seniors to pay the full cost of expansive medications.

House Democrats also insisted on changing major sources of funding for the legislation, particularly the Senate's proposal to impose a 40 percent excise tax on the most generous employer-provided policies, starting in 2013. That tax would hit many middle-class families, including many union members, so the House reconciliation package proposes to delay its implementation until 2018.

The additional cost of the reconciliation package would be covered instead by increasing Medicare taxes for high earners and by imposing a new 3.8 percent Medicare tax on investment income for those families.

The package would also change the penalty on people who fail to purchase insurance, requiring them to pay at least $695 a year or as much as 2.5 percent of

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their income. And it would increase the fines for large employers that fail to offer affordable coverage to $2,000 per worker.

Combined with the Senate bill, the package would increase the overall cost of expanding insurance coverage to $940 billion over the next decade. But the two measures combined would also lower budget deficits by $143 billion by 2019.

Democrats have spent weeks scouring the package to make sure it can clear the complicated procedural hurdles that face any reconciliation bill in the Senate, but Republicans are just starting their review of the final package. Sen. Judd Gregg (N. H.), the senior Republican on the Senate Budget Committee, has already identified at least one provision that he believes could bring the entire bill down, arguing that a new tax on high-cost insurance policies would have an impact on the Social Security trust fund -- a violation of reconciliation rules.

Senate Democrats believe they can overcome that challenge, and Senate Majority Leader Harry M. Reid (D-Nev.) on Saturday publicly assured House Democrats that he has the votes to pass the bill.