



Written by [Steven J. DuBord](#) on October 27, 2009

Senate Healthcare Bill Will Have Public Plan

Senate Majority Leader Harry Reid (D-Nev.) announced on October 26 that Senate healthcare reform legislation will include a public option that would allow states to opt out if they can provide equivalent coverage.

Specifically, the Senate legislation would establish a national insurance plan with the help of government money. The plan would be run by a private, not-for-profit board, and states would be required to prove they can offer matching coverage before they could opt out. The plan would supposedly negotiate payment rates with healthcare providers in order to keep public premiums in line with those charged by private insurers.



“I think it’s the fairest way to go,” Reid commented about the “opt-out” proposal. The Congressional Budget Office has yet to pin a price tag on the proposal, but this hasn’t deterred Reid: “As soon as we get the bill back from CBO, and people have a chance to look at it — which we’ll have ample time to do that — I believe we clearly will have the support of my caucus to move to this bill and start legislating.”

The challenge for Reid, though, is that the inclusion of a government-run public plan runs the risk of losing support from moderate Democrats and Republicans. A statement from Senator Olympia Snowe (R-Maine) indicated she was “deeply disappointed” with the proposal. Snowe favors a plan that enacts public insurance plans on a state-by-state basis only if a certain state failed to provide affordable coverage to a sufficient portion of its population.

“I still believe,” Snowe said, “that a fallback, safety net plan, to be triggered and available immediately in states where insurance companies fail to offer plans that meet the standards of affordability, could have been the road toward achieving a broader bipartisan consensus in the Senate.”

This, in turn, prompted Reid to say: “I’m very disappointed that this one issue, the public option, has been something that’s frightened her.” Reid expressed hope that Snowe “will come back.”

The White House showed its gratitude to Reid and his fellow Democrats, as well as its approval of their proposal, in a written statement from White House Press Secretary Robert Gibbs: “Thanks to their efforts, we’re closer than we’ve ever been to solving this decades-old problem. And while much work remains, the president is pleased ... at the progress that Congress has made. He’s also pleased that the Senate has decided to include a public option for health coverage, in this case with an allowance for states to opt out.”

Senate Minority Leader Mitch McConnell (R-Ky.), however, was critical of the plan, and said the “core of the proposal is a bill that the American public clearly does not like, and doesn’t support.”

America’s Health Insurance Plans, an insurance industry trade group, stated on October 26 that the opt-out proposal would “underpay doctors and hospitals” instead of bringing true reform and lowering



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costs. AHIP President Karen Ignagni declared, “The divisive debate about a government-run plan is a roadblock to reform. It’s time we focus instead on broad-based reforms that will ensure the affordability and sustainability of our health care system.”

The proposal described by Reid puts the federal government firmly in charge of healthcare. States are made subservient to Washington, only able to opt out if they can meet standards set by the central government.

This is an insidious way to give Uncle Sam unconstitutional control of healthcare for every American. The choice to opt out is not really a viable option. Cash-strapped state governments such as California’s won’t even think twice about dumping their citizens into the public option.

Any state that tries to meet federal standards would undoubtedly encounter the same skyrocketing costs that Massachusetts has endured from its attempt at universal healthcare. It is hard to imagine any state opting out of the public plan for long when faced with these budget-breaking costs.

Photo of Sen. Harry Reid: AP Images



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