

US Senate panel votes down “public option” for health care

Kate Randall
1 October 2009

The Senate Finance Committee on Tuesday voted down two amendments that would have provided a “public option” in an overhaul of health care. The action makes it highly unlikely that the option will be included in any final legislation approved by the full Senate.

President Barack Obama has pointed to the Baucus bill, named after Finance Committee Chairman Max Baucus, Democrat of Montana, as the plan most closely tailored to the administration’s proposals for a restructuring of the health care system.

In his address to Congress last month and in numerous public appearances, Obama has made it clear that the public option is only one aspect of any health care plan, and that he would be willing to sign legislation that does not include it.

In the two votes, a number of Democrats, including Senator Baucus, joined with Republicans to reject the inclusion of a government-run option in an insurance “exchange” along with private insurers, where individuals and families without health insurance would be mandated to purchase coverage or pay a fine.

While the public option has been attacked as “socialized medicine” and a “government takeover” of health care, Obama has assured Congress that, if passed, it would at most account for only about 5 percent of coverage and would pose no challenge to insurance company profits. In any case the discussion of a public option is mainly being used to conceal the reactionary essence of the overhaul plan, which is aimed at limiting access to health care, gutting Medicare and Medicaid and slashing health care costs for big business.

If legislated, it would most likely serve as a dumping ground, providing sub-standard coverage for those unable to obtain other insurance. The Finance Committee’s rejection of even the fig leaf of a public option is an indication of the degree to which the entire official debate over health care is being dictated by the insurance companies and pharmaceuticals, who will not allow even the pretence of a challenge to their private control of the health care market.

The first amendment, by Senator Jay Rockefeller,

Democrat of West Virginia, was rejected by a 15 to 8 vote, with five Democrats joining all Republicans on the panel to vote against it.

Under Rockefeller’s proposed public option, the government would set what it pays doctors, hospitals and other providers. In an at times contentious exchange, Democrats joined with Republicans on the committee to oppose the measure.

Baucus led the opposition, saying, “My job is to put together a bill that gets 60 votes,” to avoid a Republican filibuster. “Now, I can count, and no one has been able to show me how we can count up to 60 votes with a public option in the bill.... I fear if this provision is in the bill as it comes out of this committee, it will jeopardize real, meaningful, health care reform.”

The Baucus plan has never included a public option, including instead a proposal for privately run non-profit health care “cooperatives” that would differ little from private insurers and would charge similar premiums.

Sen. Chuck Grassley of Iowa, the ranking Republican on the committee, attacked the public option, saying it would have undue advantage over private insurers, and “would ultimately force private insurers out of business.” He added, “Government is not a fair competitor. It’s a predator.”

Republican Sen. Orrin Hatch of Utah called the option “a Trojan horse for a single-payer system,” paving the way for a government control of health care.

Rockefeller countered that it “would simply guarantee there is at least one health insurance plan in the exchange...that ordinary Americans can afford and count on.” He continued demagogically, “It acts as a counterweight to the way I would characterize health insurance companies—I love to use the word ‘rapacious.’”

Democrats on the Senate committee joining Baucus to vote down the Rockefeller amendment included Bill Nelson of Florida, a former state insurance commissioner, Blanche Lincoln of Arkansas and Thomas Carper of Delaware.

Senator Charles Schumer of New York put forward the second amendment for a public option, which was defeated

13 to 10. Under this option, the government plan would negotiate payment rates with health care providers.

Senators Nelson and Carper both voted for the Schumer amendment, while Chairman Baucus and Senator Lincoln voted with Republican committee members against both amendments.

On Wednesday the Finance Committee voted down two Republican-sponsored amendments to the Baucus bill. The first, put forward by Orrin Hatch, would have “codified” and made permanent existing bans in the health care legislation on the use of federal funds for abortion, except in cases of rape, incest and saving the life of the mother.

The committee also rejected an amendment proposed by Chuck Grassley that would have required individuals to have government-based identification when applying for Medicaid, a measure, which in addition to barring undocumented immigrants, would likely deter significant numbers of citizens and legal immigrants from obtaining coverage.

Senate Majority Leader Harry Reid, Democrat of Nevada, said Wednesday that he expects debate on the health care legislation to begin before the full Senate the week of October 12. The Finance Committee bill must be brought together with the legislation proposed by the Senate Health, Education, Labor and Pensions Committee, which includes a version of the public option.

Fox News reported that senior Senate Democratic aides have said that Reid will not support including a public option in the blended Senate bill. Any Senate bill will have to be reconciled with House legislation.

House leaders met behind closed doors Wednesday to continue discussion on merging the work of three separate House committees into one final bill. House Speaker Nancy Pelosi, Democrat of California, has stated that she intends to include some form of the public option in the House bill.

In a concession to House Democrats who have opposed including a government-run option, House leaders are reportedly considering a proposal similar to the amendment proposed by Sen. Schumer, where the government plan would negotiate payment rates directly with health care providers, instead of tying them to the low rates used by Medicare.

While it is possible that this or some other diluted version of the public option will be included in the House bill, it is unlikely anything resembling a government-run option will be included in a bill hashed out between the House and Senate to send to Obama to sign.

CNN’s David Gergen commented on the House deliberations, “I think the real question now is whether they can come up with some sort of watered-down proposal that will get them partway there, and they may get enough

Democrats to get it passed. But I think it will be tough going.”

The White House has backed away from openly stating the specifics of what should be included in any final bill, except to say that it must be deficit neutral, that the price of the legislation should not exceed \$900 billion over 10 years, and that it should be financed through hundreds of billions of dollars in cuts to the Medicare and Medicaid programs for the elderly, poor and disabled.

Commenting on the public option at a town hall meeting in Colorado August 15, Obama stated, “The public option, whether we have it or we don’t have it, is not the entirety of health care reform.” He is unlikely to intervene in the congressional debate to rescue it.

After months of debate between politicians, who in the main represent various sections of the health care industry and corporate America, a health care restructuring bill is coming into shape. Far from overcoming the inequities in the present for-profit system it will only intensify them, leaving tens of millions of working people with substandard care, while the affluent will still be guaranteed the best coverage money can buy.

Under the Baucus bill, rules prohibiting insurers from denying coverage because of pre-existing conditions and imposing limits on payments to sick patients would not apply to more than 70 million people working at “large” companies that self-insure.

These are companies with more than 50 workers where the employer pays health care claims out of its revenue rather than utilizing a private insurer. Workers are often not even aware that their employer operates this way, because outside companies are used for billing.

Sen. Rockefeller raised in this week’s debate on the Baucus bill, “They can be cut off; there are no caps.”

Erin Shields, a spokeswoman for Baucus’s office, commented in a statement, “Health care reform is about building on what works in our system and fixing what doesn’t,”—i.e., defending corporate profits at all costs.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact