



## Construction Industry Round Table

## Legislative News

*A force for positive change in the design / construction industry*

### 11/20/09 – Senate Rushes Health Care Overhaul to Floor for Vote

The long-awaited Reid health care reform bill was finally released Wednesday evening, and formally introduced in the Senate a day later (Thursday, November 19). Despite the best efforts of the business organizations which participated for months in negotiations to produce a health care reform bill that would control costs, increase market-based competition, provide insurance reform, and make health care more available and affordable, the bill introduced in the Senate does none of those things.

The plan is to rush the proposal to a cloture vote on Saturday night (11/21/09) in the hopes of “pressuring” wavering Democrat Senators to cast this decisive procedural vote in favor of going forward (the rules require 60 votes to cut-off debate) – and then allow these *same* Senators to vote “against” the bill later when only 50 votes are needed to pass. Apparently, some Senators are already being wooed by promises of special deals that affect only their state – case in point, Sen. Mary Landrieu (D-LA) is being courted with \$100 million of taxpayer money which took two pages of the bill to describe! [Note: it took two pages of double-talk to try to hide this favor for a single state – even though it could have been reduced to one word – the state’s name “Louisiana”].

### **BILL PROVISIONS:**

While analyses of the bill are still being written – and at 2,074 pages the bill will take some time to be fully digested – key elements of concern were immediately discernable to the “START OVER” Coalition [which CIRT is a member as a result of Board action at the fall conference in Charleston, SC].

- The bill would NOT bend the Federal government’s health care cost curve down. According to the Congressional Budget Office (CBO), Federal health care spending would increase by \$160 billion during the ten-year period for which the analysis was done. There is little reason to assume that employer costs would do anything but rise as well.
- There are strong mandates on employers in the proposal; mandates that would be particularly harmful to small businesses which are already struggling under the weight of a stagnant economy and health care costs that continue to climb.
- There are almost half a trillion dollars in tax increases in the Senate bill – excise taxes, taxes on employers who do not provide health care, taxes on “Cadillac” health care plans, even an increase in the Medicare payroll tax (for the first time using the tax from an existing entitlement program to fund a NEW entitlement program). For a complete list of all the taxes in the bill, go to: <http://www.atr.org/userfiles/111809pr-comptaxreid.pdf>
- Although they claim that the bill would cost only \$848 billion (and since when is spending that much money fiscally responsible?!), that claim is based on budget gimmicks and is false. By postponing the effective date of many of the bill’s provisions to 2014, the authors have pushed the costs of the bill to outside the ten-year budget window. But the “score” – or cost – of the programs in the ten years *during which they would be fully implemented* – 2014 through 2023 – soars to a staggering **\$2.5 TRILLION dollars**.
- And while costly program reforms are postponed until 2014, many of the tax increases and Medicare cuts are not. Moreover, they have failed to adequately “index” – or adjust for inflation – many of the thresholds for tax increases in the bill, including the income levels at which the new Medicare tax would be imposed. Failing to index these thresholds means that the new taxes will reach deeper and deeper into the middle class over time, just as the AMT does. To view a chart that shows when the various provisions of Senator Reid’s bill would take effect, please go to: <http://www.naw.org/files/ReidSubEffectiveDates.pdf>

- Supporters of the proposal also claim that the bill would reduce the deficit by \$127 billion from 2009 to 2019, and by almost half a trillion dollars in the following ten years. That claim is similarly based on budgetary sleight-of-hand. The deficit reduction they claim depends on a reduction in 2011 of 23% in the fees paid to doctors and hospitals that take Medicare patients – a reduction which Congress EVERY YEAR reverses, and which the House of Representatives acted just YESTERDAY to “fix.” If you add the so-called “doc fix” to the bill, that’s another \$247 billion in spending and all the deficit reduction and then some goes out the window. Moreover, the claimed deficit reduction also depends on Congress imposing \$465 billion in direct cuts to the Medicare program, cuts that Congress has historically been unwilling to make.

These are just the most evident components of the bill that raise alarm bells in the business community. There’s also a new mandate requiring employers to offer long term care insurance, limits on health savings accounts ... and as the full scope of the more-than-2000 pages becomes known, this list will grow.

For an executive summary of the Reid bill, go to: <http://www.naw.org/files/GOPsummaryPatientProtectionAct.pdf>

For an analysis of the CBO report, go to: <http://www.naw.org/files/CBOScoreFinal.pdf>

#### **PROCEDURAL SITUATION:**

Senator Reid introduced the “Patient Protection and Affordable Care Act” on Thursday and formally moved to proceed to the bill. That procedural motion is fully debatable in the Senate, so the Leader filed a cloture petition to bring the debate to a close. The Senate will be debating that motion to proceed today (Friday, 11/20), tonight until 11:00 p.m., and tomorrow (Sat. 11/21), with a vote on cloture on the motion to proceed at 8:00 p.m. Saturday evening.

If Senator Reid gets the 60 votes necessary to “invoke cloture” or cut off debate on the motion to proceed, the Senate would then, by unanimous consent, yield back the allowable time for post-cloture debate, agree to the motion to proceed, and report the bill. Senator Reid would then offer his substitute amendment, which is the actual text of the health care reform legislation. Debate on and amendments to the legislation will begin when the Senate reconvenes after Thanksgiving.

Should Senator Reid fail to get the necessary 60 votes on Saturday ... all bets are off and no one knows what the next steps will be.

#### **BUSINESS ACTION NEEDED:**

It is very important that Senators hear from their business constituents on this critically important legislation. Please take a few minutes to fax or email a message to your Senators (please don’t mail letters; they often take a couple of weeks to get through a security screening process). Or issue a statement on the legislation.

Also, it is expected that most Senators will be in their home states during part or all of Thanksgiving week. This would afford an excellent opportunity for you or your staff to reach out to your Senators and urge them to START OVER! and get health care reform right. Call the Senators’ state offices and ask for an appointment with the Senator or his/her staff; whether or not you get a meeting, use the phone call to urge them to oppose this flawed bill.

You can identify your Senators and find out the location for their in-state offices by going to the U.S. Senate’s website: [http://www.senate.gov/general/contact\\_information/senators\\_cfm.cfm](http://www.senate.gov/general/contact_information/senators_cfm.cfm) [Click on the **name of your Senator** (do not click on the “contact” link), and you will be taken to that Senator’s home page].

These home-state contacts from business constituents are among the most effective ways to get messages to Senators.