



## GOVERNMENT & MEDICINE

# Congress seeks solutions for the uninsured

**Lawmakers from both parties want to expand health coverage, just in very different ways.**

By [Joel B. Finkelstein](#), *AMNews* staff. May 23/30, 2005.

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Washington -- House Republican and Democratic leaders took the opportunity presented by Cover the Uninsured Week, held earlier this month, to roll out comprehensive health care agendas.

"Health care is a right, not a privilege," House Minority Leader Rep. Nancy Pelosi (D, Calif.) said during a press conference to introduce several new bills. Together, the measures would expand coverage to more than 20 million of the 45 million uninsured Americans, according to the Democrats.

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At a press conference held the day after the Democrats released their agenda, GOP lawmakers highlighted their past progress and future plans.

"Republicans are working to relieve the burden of rising health care costs on low- and middle-income families," said Rep. Phil Gingrey, MD (R, Ga.), co-chair of the GOP's Healthcare Public Affairs Team.

Their proposals would bring down the cost of health insurance and enable 4 million people to buy coverage, said the Republicans.

While House lawmakers from both parties outlined similar goals, their approaches are starkly different.

## On the Republican agenda

The Republicans laid out several health proposals, which they said build on past GOP successes, such as the passage of health savings account provisions, increased funding for community health centers and a more flexible approach to the way states run Medicaid and the State Children's Health Insurance Program.

"America has the best health care system in the world, but that is little

comfort to a family that feels they can't afford it," said Rep. Tim Murphy (R, Pa.), the other co-chair of the Healthcare Public Affairs Team. "We must redouble our efforts to help the underinsured and uninsured access affordable, quality health care."

**More than 1 million Americans in 2005 have a health savings account.**

That effort will focus on reducing health care cost through market-based strategies and medical liability reform.

Passage of federal tort reform legislation is a top priority for the American Medical Association.

"Our broken medical liability system adds between \$70 billion and \$126 billion to health care costs each year," Donald Palmisano, MD, immediate past president of the AMA, said at a physician rally last month in Washington, D.C.

"This means higher health insurance premiums and higher medical costs for all Americans. This is money that could help pay for prescription medicines or to improve Medicare and Medicaid or help get health insurance to millions who now go without," he said.

The Republicans promised to add new financial incentives for purchasing health savings accounts. Their proposal would allow individuals to deduct HSA-linked health insurance premiums from their taxes and create new tax credits for small businesses that offer HSAs.

The accounts are already proving much more attractive than medical savings accounts ever were. An industry survey released this month shows that the number of HSAs sold has more than doubled over the past six months. More than 1 million people now have an HSA, says the trade group America's Health Insurance Plans.

Other GOP proposals include federalizing association health plans so that they can operate uniformly across state lines and allowing year-to-year rollover in flexible spending accounts.

### **On the Democratic agenda**

The Democrats take another approach, which relies on what they describe as more efficient and cost-effective coverage offered by Medicare and Medicaid. Both programs, while growing in overall spending, have increased slower than private insurance and offer lower per-capita costs, the Democrats argued. Two of their bills seek to take advantage of that.

The first would allow some early retirees to buy into the Medicare program starting at age 55. That approach could bring 4 million of the uninsured under the Medicare umbrella, said its author Rep. Pete Stark

(D, Calif.).

"Enrollees would pay a fair premium and would receive all benefits Medicare beneficiaries enjoy," he said. The retirees would also be eligible for a refundable tax credit worth up to 75% of premiums.

Ultimately, this would also lower the program's overall costs because individuals would have access to better preventive and disease management services in the 10 years before officially reaching Medicare age, Stark said. They would be healthier and less expensive to cover once they turn 65, he argued.

The second measure is meant to bring more children and working parents into Medicaid and SCHIP by creating new incentives for state outreach and enrollment efforts.

"While states have made great strides in providing insurance to children, coverage of their parents lags far behind," said the legislation's author, Rep. John Dingell (D, Mich.). "In some states up to two-thirds of low-income parents have no health insurance ... and research shows that covering families together gets more children enrolled in programs as well."

Another bill would address the problem of waning employer-based coverage by giving small businesses access to new government-run health insurance purchasing pools. The firms and self-employed individuals would be eligible for a 50% tax credit to help them purchase health benefits through the pools.

The Democrats also said they would like to see funding for the National Institutes of Health increase to \$30.1 billion next year. That is \$1.5 billion more than has been requested by President Bush.

They plan to continue to push for legalizing the reimportation of prescription drugs and giving the secretary of Health and Human Services the ability to negotiate lower drug prices for Medicare. Both of the ideas are strongly opposed by Republican leaders.

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## **ADDITIONAL INFORMATION:**

### **Dueling agendas**

House leaders from both parties laid out different visions for efforts to decrease the number of uninsured Americans.

### **From the Democrats:**

- Allow Medicare buy-in for those 55 to 65.
- Extend Medicaid coverage to more low-income parents.
- Increase State Children's Health Insurance Program outreach.
- Establish small-business purchasing pools.

#### **From the Republicans:**

- Promote health savings accounts.
- Increase funding for community health centers.
- Give states freedom to change Medicaid and SCHIP.
- Reform medical liability system.
- Federalize association health plans.

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