

Extra Feature Story

President Obama Unveils New Plan Ahead of Health Care Summit

February 23, 2010

After months of bitter debate between Democrats and Republicans in Congress over how to fix the country's health care system, President Barack Obama has offered a reform proposal to jumpstart a bipartisan health care summit at the White House this week.

Last year, President Obama called health care reform his No. 1 domestic issue, but the drawn-out debate has cost Democrats public support.

The president is trying to forge agreement on ways to make health care more affordable and provide insurance to the millions of Americans who don't have it.

But the president's plan, which is based on the Senate proposal that passed in December, has angered Republicans who say Congress needs to start all over again.

"The president has crippled the credibility of this week's summit by proposing the same massive government takeover of health care based on a partisan bill the American people have already rejected," said House Minority Leader John Boehner, R-Ohio.

Controlling the cost of insurance

One of the biggest changes in the president's proposal is the creation of a Health Insurance Rate Authority, a government body to help oversee insurance programs.

In many ways, health insurance works is similar to car insurance. People pay an insurance company a certain amount each month and then when they have to go to the doctor or have a medical emergency, the health insurance company pays most of the bills.

The insurance company makes money off of healthy people who don't have to go the doctor, but loses money on sick people who need a lot of care, just as the car insurance company makes money off of drivers who never have a crash, but loses it on drivers who get into big accidents.

Unlike car insurance, however, most people in the United States get health insurance from their employers.

But since health insurance premiums-- the money that companies pay for coverage-- have skyrocketed in the last 10 years, more and more companies have stopped paying for their employees' insurance.

This has left millions of people without insurance.

Many uninsured people don't go to the doctor for checkups because it is too expensive, so they end up in hospital emergency rooms when their health problems get severe.

By law, emergency care can not be withheld. The money to pay for this care comes from increasing the price of health care for everyone, according to experts.

Would regulation improve or worsen health care?

The president's Health Insurance Rate Authority would have the power to deny insurance companies rate increases for customers that it deems "unreasonable and unjustified."

Republican Sen. Judd Gregg of New Hampshire told the NewsHour that such an authority would give the government too much control over the insurance industry.

"You're basically putting in place price controls," Gregg said. "And what happens with price controls? Well, that means that the people who are delivering that health care insurance are probably going to make it not be able to -- to make ends meet in their own businesses, so they're going to drop out of coverage of people who presently have health insurance."

But Sen. Sherrod Brown of Ohio disagreed, charging the Republicans with defending insurance companies at the expense of the public. "The insurance industry clearly has gamed the system. They're always one step ahead of the sheriff. And it's important, if we have to make rules about them and adopt these strong consumer protections, that's what we ought to do," Brown said.

Will 'bipartisanship' work this time?

With Democrats unable to get their bills passed in Congress, the White House sees the summit as a "starting point," according White House press secretary Robert Gibbs. "I think that's the key to having a successful bipartisan approach to this legislation."

But strategists also see the televised summit as a way for the Democrats to publicly push some of the responsibility for health care reform onto the shoulders of Republicans ahead of the mid-term elections.

The Hotline's Amy Walter sees the summit as "political posturing" more than an actual attempt to get bipartisan consensus on a divisive issue like health care reform.

"Democrats [are] hoping that voters are going to look at the ballot in 2010 and see not a Democratic Party that failed to deliver, but Republicans who stood in their way," Walter told the NewsHour.

-- Compiled by Leah Clapman and Kate Stanton for NewsHour Extra

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