

## Taking the Pulse

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### Health care reform proposals have large implications for coverage.

Story by Walt Williams

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CHARLESTON -- Regina Lorenzen of Summersville was only 35 when she was diagnosed with a rare and incurable lung disease. Despite the bad news, she and her husband had one reassurance -- they had health insurance.

At least until the day they most needed it.

Lorenzen was preparing for a lifesaving lung transplant when her private insurer suddenly announced it no longer would cover her medical bills because it was pulling out of West Virginia. What the company did was perfectly legal, but it left the couple no way to afford the expensive surgery.

"We never missed a payment in 10 years," she said. "How could they do this to me when we needed them the most?"

Lorenzen got her transplant thanks to public programs set up to help people in her situation. She since has become something of a spokeswoman for the need to reform the nation's health care industry, being cited by both President Barack Obama's campaign during the elections and by local health reform advocates. And she calls herself "proof" the private health insurance industry does not work.

"My story has a happy ending due to public health programs," she said.

Public programs could end up playing a large role in whatever health care reforms come out of the nation's capital. Congress is on a path to approve some type of health care legislation before the end of the year. It is anyone's guess just what shape that legislation ultimately will take, with legislators juggling a mind-numbing number of different policies.

There is a good chance none of those plans contains what you may have read or seen at some point on the Internet or on TV.

The amount of misinformation spreading about health care reform is keeping the researchers on the nonpartisan Factcheck.org busy. They point out that no plan would double individual premiums. No plan would create a "socialized medicine" system like that in Canada. And no plan encourages senior citizens to commit suicide for the good of the country.

### Battle Over Details

That's not to say there are no unanswered questions about what health care reform would mean.

While Obama has said reform won't force people out of their current coverage, the reality is that several million people involuntarily could wind up in a public insurance option envisioned by lawmakers. Costs for businesses could increase as they are required to pick up coverage for employees, and individuals who can't find coverage themselves could be expected to help cover the costs of providing insurance to the uninsured.

And in the battle over details, there is a lot of shouting. Local conservatives were at the University of Charleston Aug. 11 to protest a health care forum featuring Sen. Jay Rockefeller, D-W.Va. Not allowed into the forum, the protestors instead stood outside the front doors and heckled those who entered.

"I don't see anywhere in the Constitution that the government has the right to dictate to us how we spend our health care money, and I don't see the push to get it done now," John Burton of Logan County said. "It's ridiculous: We're going to spend trillions of dollars to help 14 percent of the population that doesn't have it, <http://wowktv.com/story.cfm?func=view...>

and probably most of those aren't taxpaying United States citizens anyway."

But people such as attendee Teddy Hapney of Roane County said while he was not aware of all the changes being proposed, he saw room for reform.

"I think it's pathetic we live in the richest country in the world yet we don't have health care for the citizens of this country," said Hapney, who works for the United Mine Workers.

### **Plan A or B?**

Congress ultimately will decide what shape reform takes. Many bills have been proposed, but there now are two leading plans before lawmakers, one originating in the House of Representatives and the other in the Senate. They have just as many differences as similarities.

One thing both have in common is the establishment of insurance exchanges, where individuals and businesses can shop for insurance by comparing and contrasting different plans. Both also require individuals to have health insurance, and both require larger employers to provide insurance to employees or pay fees.

The differences lie in the details.

The Senate version calls for state-based benefit "gateways" in which individuals and small businesses can purchase health care. The House version instead would create a national exchange, where such shopping could take place.

The Senate bill exempts employers with fewer than 25 workers. The House version bases exemptions on total payroll.

The Senate bill contains a \$750-per-year tax penalty for people without qualifying health coverage. The House version sets that penalty at 2.5 percent of adjusted gross income. Both bills are packed with exemptions and offer credits to help offset costs.

Obama has championed a public insurance option to compete with private insurers, but so far only the House version of the legislation has wholeheartedly embraced that concept. The Senate instead is flirting with the idea of using federal funds to establish nonprofit cooperatives to provide health care coverage.

Co-ops would be privately run but cheaper because profit isn't the main motivator behind them, according to supporters. Only a handful of health care co-ops currently exist around the nation, most of them relatively tiny.

Co-ops are seen as a way to win over some Republicans and conservative Democrats who are wary of a government-run insurance option. However, Rockefeller is not among those lawmakers who see them as a viable alternative, noting there is little evidence that co-ops could work as intended.

The senator instead strongly backs a public option, and, in fact, he has become one of the leading proponents of such a plan in the Senate. He sees it as a vital alternative to an insurance industry he said regularly excludes people from coverage because of pre-existing medical conditions and has admitted to purging high-risk customers from its ranks.

"The really important thing is to give them really stiff competition on their prices," he said.

Insurers themselves would face a larger number of new regulations under either version of the bill, although the House version is tougher. Among the proposed requirements are mandating that insurers cover dependents up to age 26 and providing certain forms of coverage if they want to participate in whatever exchange is created.

### **Pros and Cons**

Changes are not just in store for private insurance but for government assistance programs as well.

Both plans call for expansions of Medicaid. The Senate bill provides people receiving government assistance an option of obtaining coverage for their children through an insurance exchange, whereas the House version mandates it.

Still waiting to be answered is just how the federal government plans to pay for some of the proposed reforms, which could range from \$615 billion to more than \$1 trillion.

Many cash-strapped states are wary of any Medicaid expansion given that they will be required to foot part of the bill. At least some of the money looks likely to come from projected savings in the Medicaid and Medicare programs, although Obama has dismissed rumors that those savings would come from reducing benefits.

Advocates such as Renate Pore of the West Virginia Center for Budget and Policy acknowledged costs might seem intimidating.

"I don't know how well we will do in bringing in costs," she said.

However, at the same time, the center noted that \$1 trillion is only a small fraction of the \$35 trillion Americans likely will spend on health care during the next 10 years.

That is not a comfort to critics, who see many holes that can be poked in both plans.

For one thing, despite all the talk about health care reform, there has been little attention paid to medical malpractice reform, such as caps on damages awarded in lawsuits. Then there is the question of how many people could lose their current coverage under the reforms and get shifted into the public plan. A study sponsored by the conservative Heritage Foundation puts that figure at 88 million individuals.

A study by the Congressional Budget Office estimated that 10 million would lose their current coverage, but Robert Moffit, the foundation's director of health policy studies, said that is because the authors underestimated the amount of political pressure that will be put on the commissioner overseeing the program to expand its eventual scope.

"This is a very powerful agent -- you can even call him a czar," he said.

And even if you do hold on to your current coverage, it likely will change anyway because of proposed mandates about what insurance carriers must cover, according to the foundation.

"The idea you can keep the health insurance you have today is nonsense," Moffit said.

Rockefeller hears similar arguments every day while Congress is debating health care reform. (Lawmakers were on summer break when this article was written.) He acknowledged the opposition was there and is vocal, but he said there are some people who always will oppose change.

"If that change is legislated by government, they tend to like it less," he said. "We don't have the option of doing nothing; this really matters."

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