



Senate Moves Forward on Health Reform Legislation

On November 21, 2009 the Senate voted to begin full debate on its health reform bill. Debate on the legislation will start after Thanksgiving and is expected to continue into late December.

Background

Last week Senate Majority Leader Harry Reid (D-NV) introduced proposed health reform legislation in the Senate. The bill merged the provisions of the prior Senate Health, Education, Labor and Pension Committee and Senate Finance Committee proposals. (See our October 19, 2009 [For Your Information](#).) By a vote of 60 to 39 on November 21, the Senate voted to approve debate on the legislation.

Both the House and Senate bills include an individual and employer mandate, purchasing exchanges with a public plan option, subsidies for low income individuals and small employers, and Medicare cutbacks. However, there are significant differences between the proposals, particularly in financing health reform. The House bill includes an income tax surcharge on high income individuals, while the Senate bill includes the “Cadillac Plan” excise tax and an increase in the Medicare hospital insurance tax.

We have updated our high level side-by-side [comparison](#) of the House and Senate proposals to reflect the proposed Senate legislation.

What is Next?

Debate on the Senate proposal is expected to extend into late December. If and when the Senate passes its bill, a conference committee will then need to reconcile the significant differences between the House and Senate versions. The reconciliation process is not expected to occur until after the new year.

Conclusion

Now that the Senate has introduced its bill and the House has passed its version, plan sponsors can determine the impact of these bills on their programs and employees. Buck’s consultants are available to model the impact of the legislation on employer programs and to answer any questions you have on these proposals.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.