

Health plan has public option

Dems' idea also has lower cost

By David Espo

AP Special Correspondent

WASHINGTON – Democrats on a key Senate Committee outlined a revised and far less costly health-care plan Wednesday night that includes a government-run insurance option and an annual fee on employers who do not offer coverage to their workers.

The plan carries a 10-year price tag of slightly more than \$600 billion, and would lead toward an estimated 97 percent of all Americans having coverage, according to the Congressional Budget Office, Sens. Edward M. Kennedy and Chris Dodd said in a letter to other members of the Senate Health, Education, Labor and Pensions Committee. The AP obtained a copy.

By contrast, an earlier, incomplete proposal carried a price tag of about \$1 trillion and would have left millions uninsured, CBO analysts said in mid-June.

The letter indicated the cost and coverage improvements resulted from two changes. The first calls for a government-run health-insurance option to compete with private-coverage plans, an option that has drawn intense opposition from Republicans.

“We must not settle for legislation that merely gestures at reform,” the two Democrats wrote. “We must deliver on the promise of true change.”

Additionally, the revised proposal calls for a \$750 annual fee on employers for each full-time worker not offered coverage through his or her job. The fee would be set at \$375 for part-time workers. Companies with fewer than 25 employees would be exempt. The fee was forecast to generate \$52 billion over 10 years, money the government would use to help provide subsidies to those who cannot afford insurance.

The same provision also is estimated to greatly reduce the number of workers whose employers would drop coverage, thus addressing a major concern noted by CBO when it reviewed the earlier proposals.

Kennedy, D-Mass., and Dodd, D-Conn., circulated their letter a few days before lawmakers return from their July 4 vacation, with the Health Committee one of several panels expected to take action on health-care legislation that President Barack Obama has placed atop his domestic agenda.

