

Health Insurance From Uncle Sam Gets A Look

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Health insurance from Uncle Sam gets a look RICARDO ALONSO-ZALDIVAR, Associated Press Writer

WASHINGTON_Look out Aetna, Humana and UnitedHealthcare. Senators are meeting behind closed doors to consider whether the federal government should jump into the health insurance business.

The government already covers medical care for seniors, disabled people, poor families and many children. But coverage in those programs is restricted to people who meet certain qualifications, including age and income.

The issue now is whether middle-class workers and their families should be offered the choice of joining a government-sponsored plan similar to what they get through their employers.

If Congress agrees, a public plan would be part of the health overhaul legislation that lawmakers want to put on President Barack Obama's desk later this year.

Senators on the Finance Committee on Thursday are weighing several designs for a public plan. They also will be given the option of having no public plan at all.

That last option is the outcome the insurance industry is hoping for.

The companies say a government plan could put them out of business, and they've offered to submit to new consumer protections and help find \$2 trillion in health care savings over 10 years in the hopes of warding off any government-sponsored plan. Business groups also are leery of the idea. Republicans already are saying a public plan would put bureaucrats, not doctors and patients, in control of life-and-death decisions.

But Democrats think the idea would be a political winner. Since Medicare _ a government-run plan _ is popular with seniors, they figure a public plan for the middle class would also find acceptance.

Two of the designs that senators will consider call for a plan that's like Medicare, except it would pay doctors and hospitals a little more generously. In one version, the public plan would be run directly by the government. The alternative would be to have it administered by regional middlemen under contract to the government.

A third idea would leave it up to each state to set up and run their own public insurance plans.

A fourth option, promoted by Sen. Charles Schumer, D-N.Y., would try to address concerns about unfair competition from a public plan.

Schumer's proposal would require the public plan to be financed by premiums, not tax dollars. It would have to follow the same solvency rules as private insurers, maintaining a reserve fund to cover liabilities. Doctors and hospitals would be free to participate in the plan, or opt out. And the public plan would have to operate under the same consumer protection rules as private insurers.

Schumer says he believes the public plan would set a high standard for quality. Since it wouldn't have to turn a profit, it could invest in prevention and wellness.

His idea is getting a close look also from a group of fiscally conservative Democrats in the House, known as the Blue Dogs.

On the Net:

Senate Finance Committee: <http://www.finance.senate.gov>

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