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A Health-Care Plan That Could Bridge the Divide

By GERALD F. SEIB

The health-care train is about to pull out of the station in Congress. How far it goes may depend on whether good seats are given to two very different senators, Democrat Ron Wyden of Oregon and Republican Robert Bennett of Utah.

For the past couple of years, those two have been trying to do what nobody else in Washington has achieved: redesign America's health coverage in a way that both liberals and conservatives can accept. The fruit of their labor is a fully formed plan -- officially called the Healthy Americans Act -- that would give health insurance to every American in an entirely new way. It seeks to make that politically possible by giving both the left and right a couple of big features they would like, and a couple they wouldn't.

There's a national consensus about health-care reform but the problem is the left and the right can't agree on how to proceed. But there are some politicians who are finding the middle ground, Capital Journal columnist Gerald Seib says.

Specifically, Messrs. Wyden and Bennett would require that everyone in America have an insurance policy and would give government help to many families to help buy one. That should please the left. But the plans would be offered by private insurance companies. That should please the right.

Employers would help pay but no longer would be the main procurers of health insurance. People would do that for themselves. Best of all, the Wyden-Bennett plan is designed to pay for itself in just a couple of years.

There's no silver-bullet solution to America's health problems, and this isn't one either. But it does show there are, in fact, ways to build bridges between differing views. A bipartisan group of senators of left and right already has signed onto the act.

"There's a philosophical truce that's reachable here," said Mr. Wyden as he and Mr. Bennett shared breakfast in the Senate dining room one recent morning. The most formidable opposition to their approach, said Mr. Bennett, comes from "the status quo caucus" of groups willing to live with the current system, flawed as it may be.

But that caucus is shrinking, which is why something might actually happen on health this year. Employers are tired of the rising costs they face providing health coverage. Employees are tired of paying more out of their pocket for coverage that seems to shrink every year. Federal and state governments are tired of seeing their own health bills go up because costs seem to be beyond their control.

Sens. Robert Bennett (R., Utah), top, and Ron Wyden (D., Ore.) seek to redesign health coverage in a way that both the left and right can accept.

So there's a consensus to act. The Senate Finance Committee plans a series of open discussions and private meetings that are to culminate in work on a bill in June.

But there's a wide gap between left and right on how exactly to craft a new approach. That's where Messrs. Wyden and Bennett enter the picture. Besides their both being tall and lanky, they would seem to have little in common. Mr. Bennett is a 75-year-old with a generally conservative voting record who was a successful businessman before coming to Washington. Mr. Wyden is a 59-year-old with a generally liberal voting record who was an activist for senior citizens before coming to Washington.

Yet both have a history of crossing party lines and telling unpleasant truths to their core constituencies. And they're willing to do so again. Here's what they are proposing to revamp the health-coverage system:

Virtually every American -- those in Medicare and the military would be excepted -- would be required to acquire a health-coverage policy for themselves and their children. Each state would create a pool of comprehensive private insurance policies for its residents to choose from.

Families at or below the poverty line would have the full cost of their policies covered by the government. Those above the poverty line would get a smaller subsidy, which would phase out for families with incomes at 400% of the poverty line and above.

In this new world, one crucial difference is that individuals would be in charge of picking their own health plans, rather than relying on their employers to do it for them. Employers still could provide insurance if they wanted to, but otherwise they would be required to turn over to each employee, in the form of tax-free dollars, the amount of money they now pay to buy that employee health coverage.

Employers wouldn't be off the hook entirely, though. They would pay a fee -- a tax, really -- for each employee to help fund those federal subsidies to help families buy their policies.

Philosophically, the goal of the Wyden-Bennett approach is to use the power of government to guarantee coverage, while putting individuals in charge of their own health plans. Putting individuals in charge and having everybody covered, it's hoped, would inject more competition into the system, which should help hold down costs and improve quality. Policies would be portable as people move from job to job, or even from employment to unemployment.

Obstacles abound, of course. Here's a big one: Many Democrats would want to include a so-called "public option" -- that is, a health-insurance plan provided by the government itself -- alongside private insurance plans. Mr. Bennett and other conservatives are dead-set against that, arguing that the government's ability to impose cost controls doubtless would make its plan the cheapest one, sucking consumers away from private insurers and opening the way to universal government health care.

A hurdle, yes. But the gentlemen from Oregon and Utah already have shown that a little finesse can help clear a lot of hurdles.