

Thank God It's Friday!

November 20, 2009



In the Congress, the Healthcare debate is getting hotter following the Senate's introduction of its \$848 billion version of a reform bill. This is spread over 10 years. With the House having passed a \$1.2 trillion bill last weekend, it now seems probable the nation will be getting a new health-care bill, but probably not in time for Christmas.

Naturally, there are many politicians who will reach for their 15 minutes of fame as the Senate version is debated today and Saturday culminating in a vote Saturday night. Talk about a bumper weekend! The Senate bill would extend coverage to millions of uninsured Americans, bar insurance company practices like denying coverage to people with pre-existing medical conditions and require nearly all Americans to purchase insurance. To pay for some of the overhead, Americans earning over

\$500,000 would be subject to a 5.4% surtax which computes to a \$1,000,000 earnings per couple. The House's version would tax wage earners who receive "free" healthcare coverage from their jobs to pay taxes on this unearned income. We entrepreneurial types have always had to pay income taxes on our health insurance premiums.

Many physicians may see their fees cut. Many insurance companies will see their profits cut. Many hospitals will face cuts, too, while Pharmaceutical companies will be put on an Rx diet.

Hopefully, there will be trade-offs to cushion these blows. For instance, many more folks will go see a doctor. Everyone will be expected to BUY health insurance or face fines. More people will buy drugs because they have health insurance and have an MD to write the prescription. Medicare should be streamlined and girded up by the new initiatives contained in both bills. For decades seniors have feared "losing" their Medicare. Sweeping Medicare changes are long overdue and both bills speak to those shortcomings. Our not-so-secret dream is that TECHNOLOGY will lead the way for healthcare reform to really work. With electronic billing and electronic medical records, patients should benefit. but Rome was not built in a day so we'll have to be patient, if you'll excuse the pun.

Sixty votes in the 100-seat Senate are required to clear Saturday's vote, meaning that all 58 Senate Democrats and the two independents that generally vote with them will need to hold together because all 40 Republicans are united in opposition.

As investors, we are deeply concerned about the effect such sweeping legislation might have on the nation's debt load. Since both bills address a 10-year plan, we'll have to crunch the numbers once ONE bill emerges from the Congress that will eventually become the law.

The Congress is crafting an enormously sweeping change in the social fabric of America. However, beyond healthcare reform, lawmakers face even loftier tasks like fixing the nation's economic ills like jobs, bank failures, crime, and don't forget climate change. Regardless of where you stand on the health-care debate, getting it over is a noble goal. We'll be glued to the tube and internet this weekend and report back to you in a timely fashion.

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