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The Baldwin–Price Health Bill: Bipartisan Encouragement for State Action on the Uninsured

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A remarkably diverse and bipartisan group of House Members has introduced legislation that would give states a green light to take bold action on tackling the problem of the millions of Americans without health insurance. Under the "Health Care Partnership Through Creative Federalism Act" (H.R. 5864), states could propose to a commission a wide range of approaches incorporating state action, federal grants, and changes in federal programs and laws that would achieve savings and reprogram money to improve coverage. The commission would then select a set of proposals and submit them to Congress for expedited ("fast-track") consideration. In this way, the legislation would spur state initiatives to improve health coverage and access and test the effectiveness of alternative reforms.

Introduced by Representatives Tammy Baldwin (D–WI), Tom Price (R–GA), John Tierney (D–MA), and Bob Beauprez (R–CO), H.R. 5864 represents the decision of an ideologically diverse group of Members to break free of the partisan deadlock that has thwarted most congressional action on health care. It does this in two ways. First, it would give the states the central role in proposing practical ways to move forward, including necessary federal action. And second, instead of promoting a single "magic bullet," the legislation explicitly encourages a broad range of approaches, including initiatives that would appeal to both conservatives and liberals, so that rival approaches can be tested and compared.

This House legislation follows a bill (S. 2772) recently introduced in the Senate by Senators George Voinovich (R–OH) and Jeff Bingaman (D–NM).

Key Components

- **Commission:** H.R. 5864 establishes a commission to review and then recommend a slate of state proposals for congressional consideration. The commission would have 19 members: the Secretary of Health and Human Services, governors, state legislators, county officials, mayors, and several members appointed by the House and Senate (from both the majority and minority parties).
- **State Proposals:** State submissions to the commission would cover a period of five years. These proposals could be statewide, multi-state, or limited to sub-state regions. To be eligible for consideration, proposals would have to contain a plan and commitment to reduce uninsurance. Specifically, a state would have to provide information on the manner in which it plans to expand coverage; estimate the number and percentage of currently uninsured that would receive coverage under the plan; describe the type of coverage that would be provided; indi-

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cate how existing federal, state, local, and private systems would be altered and coordinated with the state plan; and describe planned efforts to expand access to medically underserved populations. The state proposals could contain federal legislative waivers, meaning that the initiative might require changes in federal programs or laws that would apply within the area covered by the state initiative.

- **Range of Proposals:** States could propose a variety of ways to provide coverage in order to reduce uninsurance. The bill does not limit their options.
- **Plan Cost Estimates and Funding:** State plans would have to include cost estimates, such as expected public/private financing mechanisms; federal, state, and local expenditures; anticipated costs to businesses and individuals; and means for financial solvency. Funding for federal grants would be determined by congressional appropriation. But the bill also contains a budget neutrality provision that requires initiatives to have no combined net cost to the federal government beyond the grant program during the five-year period during which state proposals would be authorized.
- **Plan Review Process:** Upon receipt of a state plan, the commission would review and negotiate with states individually and could ask for more information. A proposal would need a two-thirds vote by the commission to make the slate of proposals submitted to Congress.
- **Expedited Congressional Consideration:** The commission would submit a list of state proposals to both the House and Senate. The list of proposals would receive expedited consideration in both chambers, and the proposals could not be amended.
- **Evaluations and Reports:** States would be required to submit annual progress reports to the commission. In turn, the commission would submit annual reports to Congress containing recommendations. Finally, one year prior to the end of the five-year experiment, the commission would submit a report to Congress that evaluates the state projects and may make recommendations for future federal action.

The Baldwin–Price legislation would permit a wide range of state health care initiatives, from consumer-based approaches centered on health savings accounts to expansions of traditional government programs. The bottom line for states would be measurable outcomes. The federal government would offer a limited grant program as a reward for innovation. States could propose creative approaches that affect federal tax revenues or expenditures in many ways, but beyond the appropriation for the grants, the net impact on the federal deficit would have to be zero.

The way to break the deadlock in Congress over health care reform—a partisan deadlock in which most ideas remain bottled up—is to allow a diverse range of ideas to be tried and compared systematically at the state level. The Baldwin–Price approach recognizes that solutions to the problem of uninsurance are far more likely to be found in state capitals than in Washington. It builds on the momentum already seen at the state level and gives encouragement not by trying to micromanage states but by removing federal obstacles to innovation and rewarding success.

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