



Written by [Thomas R. Eddlem](#) on July 30, 2009

Blue Dog Dems Strike Deal on Health Care

Members of a coalition of moderate House Democrats called the “Blue Dogs” have struck a deal to move Obama’s health care legislation forward after the August recess.

“We have reached an agreement that will allow health-care reform to move forward,” [said](#) Arkansas Democratic Rep. Mike Ross, who explained a few of the changes to the press. Under terms of the deal, Blue Dogs would win 10 amendments that would pare about \$100 billion from the \$1 trillion in new spending in the legislation. It’s unclear how many of the 50 Blue Dogs had signed on to Ross’ deal with the House Democratic leadership.



According to the [Congressional Budget Office](#), the original \$1 trillion House legislation would save about \$219 billion by cutting waste in Medicare and Medicaid, increase taxes by \$583 billion and add \$239 billion to the budget deficit over 10 years. Thus, the Blue Dog \$100 billion would still amount to both a huge increase in taxes and deficit spending compared to the status quo.

Ross explained that, in the words of [CNN.com](#), his compromise “exempts businesses with payrolls below \$500,000 from having to provide health coverage for workers. He also said the bill’s government-funded public insurance option — a key provision for Obama and Democratic leaders — would be a choice for consumers instead of coverage forced on people without health insurance.” In addition, the [Associated Press reported](#) that “Poor people would get subsidies to help them buy care after spending 12 percent of their income on premiums, instead of 11 percent in the existing bill.” The compromise would also raise the minimum payroll levels before employer health care coverage mandate is imposed by Washington from \$100,000 to \$500,000. The National Federation of Independent Businesses [estimates](#) this would exempt an additional 400,000 small businesses from the bill’s health care mandate.

The cuts in subsidies to the poor under the “public” plan and larger exemptions from “universal” coverage have the far left up in arms. “It’s terrible and totally unacceptable,” Jerrold Nadler (D- NY) [told](#) the *Wall Street Journal*. Rep. Lynn Woolsey (D-Calif.), co-chairwoman of the Congressional Progressive Caucus, who [told](#) *The Hill* that, “It’s unacceptable. We’re not going to vote for anything that doesn’t have a robust public plan.”

Meanwhile, several small business groups have mobilized to fight the increased costs of Obama’s health care package, whether it includes the Blue Dog cuts or not. Brad Close, vice president of federal public policy for the National Federation of Independent Business, [wrote](#) that “the House healthcare bill will do nothing to lower costs and instead will actually harm not help small business owners. The House bill includes expensive employer mandates, punitive payroll taxes and a new government-run program that threatens the viability of private insurers. Research shows an employer mandate alone could cost 1.6 million jobs with more than 1 million of those jobs lost in the small business sector. The House bill simply will not work for small businesses. If the president and Congress insist on going down this road,



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they will actually make things worse for small business — leading to increased unemployment, decreased wages and, ultimately, higher health insurance costs.” The NFIB [describes](#) the employee mandate as one which “devastates the economy” and where “more than 1 million of those jobs [will be] lost in the small business sector.”

AP Images: Photo of Rep. Mike Ross (D-Ark.), Rep. Baron Hill (D-Ind.), and Henry Waxman (D-Calif.)



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