

Democrats counter GOP end-of-year health offer

Republicans could balk at extending Obamacare subsidies enacted two years ago with no GOP support.

Politico

BY:

DAVID LIM, ROBERT KING, BEN LEONARD

| 12/06/2024 11:30 AM EST

Democrats have responded to Republicans' end-of-year health care package with a proposal of their own, according to five people familiar with the negotiations.

[Earlier this week, POLITICO reported](#) that Republicans offered Democrats legislative language to attach to a government funding package that included a three-year extension of eased telehealth rules and a 2.5 percent bump to doctor Medicare payments for 2025, among other provisions. Democrats had a deadline of Friday to counter.

The response indicates that the two sides could be within striking distance of a deal despite some differences. The situation is still fluid and could still change.

Democrats' counterproposal includes a two-year extension of eased telehealth rules, funding for hospitals that treat high numbers of low-income patients and a slight bump in community health center funding over two years. It would also set new rules for how insurers review doctor-prescribed treatments, include \$5 billion to boost Medicare pay for doctors and overhaul pharmacy benefit manager business practices.

Like the GOP plan, Democrats propose delinking the list price of drugs from payments pharmacy benefit managers get, but it goes further in also proposing banning spread pricing in Medicaid. Pharmacy benefit managers are companies that negotiate drug prices on behalf of insurers or employers.

The proposal also aims to stop insurers from failing to adequately update their provider directories, creating "ghost networks" that frustrate their plan subscribers.

In addition to the proposal, Democrats want to extend enhanced tax credits for Obamacare coverage that they enacted in the Inflation Reduction Act two years ago. The credits go away after 2025 and have helped fuel record growth on Obamacare's insurance exchanges.

It remains unclear whether Republicans would be open to adding an extension to the end-of-year package. Several Republicans have opposed an extension.

A new analysis from the nonpartisan Congressional Budget Office found letting the credits expire would cause Obamacare plan premiums to surge by 4.3 percent in 2026 and the number of people without insurance to rise by 2.2 million.

The insurance industry, which has seen revenue grow because of the enhanced subsidies, is fighting to get them extended.

The Democrats' proposal also includes a five-year extension of rules allowing patients to get hospital care at home, beyond the three years that Republicans proposed, according to one person familiar with the situation.