

More reform, say D.C. reps

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Westchester's congressional delegation told a business audience in White Plains the recently enacted health care reform bill likely will be amended to correct weaknesses and regulatory reform is needed to protect consumers from financial firms selling Wall Street's kind of "lemon."

"It's a work in progress," Rep. Eliot L. Engel said of the Patient Protection and Affordable Care Act that was narrowly passed by Congress in March. Engel spoke briefly at the Westchester County Association's annual Report from Washington luncheon at The Ritz-Carlton, Westchester before flying back to Washington for the World-Series champion New York Yankees' appearance at the White House. "People are very, very scared" of the unknown impact of health care reform, said Engel, a supporter of the bill whose office has been picketed by Tea Party protesters.

Rep. John Hall and Rep. Nita Lowey agreed with Engel that the House version of the reform package was stronger and gave more funding to New York – \$4 billion – than the compromise bill that squeaked through the Senate. Hall said the House measure also would have given hospitals more collective clout in negotiating rates with insurers by granting them an antitrust exemption.

In a recent WCA membership survey, 49 percent of respondents said they opposed the health care reform act while 36 percent favored it and 5 percent said they did not understand the bill. James Foy, CEO of St. John's Riverside Hospital in Yonkers, said the health care act does not extend coverage to undocumented residents and only "very marginally" increases Medicare coverage while dramatically lowering Medicare program reimbursements to hospitals that treat a disproportionate share of low-income patients. He said St. Johns' stands to lose \$7 million a year when the reimbursement cuts begin in 2014.

"We couldn't pass this bill if we said we were going to cover undocumented workers," Hall said. He said the health care bill, like other major federal legislation, certainly will be amended.

Hall noted that members of Congress are the only Americans who will be required to buy their health insurance on the exchange created by the new law. "So if it doesn't work, you can be sure

it will be fixed because members of Congress will have their families in there,” he said. Lowey said she does not expect health care reform to cause a drop in insurance premiums. “We’re hoping they won’t escalate as they have,” she said.

Lowey, Engel and Hall all favored stronger regulation of the financial industry. “We have to put in laws that make some sense so that what happened doesn’t happen again,” said Engel, “but we have to be very careful not to kill the New York economy.” Wall Street banking and financial companies are “home-grown businesses,” he said.

Lowey said she hopes the financial industry will partner with Congress “to get regulations that are not overbearing and make sense to correct the abuses.” Reforms should work “at least for a couple of years until someone comes up with new abuses,” she said.

A majority of WCA respondents in the recent survey, 53 percent, said they placed more trust in Washington to reform the financial sector than in the industry correcting itself. A total of 25 percent put more trust in the banking industry, while 12 percent said no change is needed.