

November 8, 2009

MEMORANDUM

FROM: Michael Hammond

RE: Where We Are on ObamaCare

AN OVERVIEW OF WHERE WE ARE

At the beginning of this process last spring, I identified a four-step strategy to defeat ObamaCare: (1) Back Chuck Grassley and Mike Enzi away from a deal which gives Democrats 90% of what they want. (2) Take reconciliation off the table. (3) Secure 41 Senate votes. (4) Use procedural roadblocks to prevent Harry Reid from playing "let's make a deal" on the Senate floor.

We have accomplished the first three of these four objectives. Negotiations have collapsed, and Senate Republicans are unified. Reconciliation is off the table. We have 41 votes against the Reid bill. And the final step -- the Senate floor procedure -- is wholly within our control.

It would have been a gratuitous unexpected blessing if we had won in a way we had never anticipated -- if the Pelosi-puppet "Blue Dog Democrats" had refused to give Pelosi the 218 votes she needed to prevail in the House. We hoped -- but didn't really expect -- that the Pelosi puppets would show courage, but they didn't.

Now, with the American people opposing ObamaCare by a 54-to-42% margin in the most recent poll -- and with 40% of the opponents feeling strongly -- and with those figures being much more dramatic when you move away from a handful of "90% blue" east coast/west coast cities -- the outcome of the battle teeters on a knife's edge, as it has always done since the beginning of the year.

WHAT WE NEED TO DO

First, we need to keep pounding Maine, Nebraska, Arkansas, Louisiana, Indiana, and Connecticut. Secondary targets include North Dakota, Nevada, and Montana.

Second, we need to emphasize that the key votes are the cloture votes and, particularly, cloture on the motion to proceed.

Third, we need to object to using an unacceptable House bill as the base bill in the Senate. We should make the unacceptability of the House bill in the Senate a central weapon in our arsenal against cloture on the motion to proceed. If it is on the floor and if procedurally possible, we should move to table it.

Fourth, should the Senate move to proceed to the bill, we need to insure that a "gatekeeper" amendment is put in place to keep Reid from floor negotiations to make an unpassable bill passable. This is similar to our strategy which killed the immigration amnesty bill.

If Reid puts an "amendment tree" in place in order to prevent Republican "killer amendments," we should deny him unanimous consent to set aside his gatekeeper in order to do anything. Our argument is that we, not Reid, should decide what amendments we can or can't offer.

If Reid does not put an amendment tree in place, we need to offer a gatekeeper immediately, at the beginning of the process. I have drafted such a gatekeeper, and it is in Senate hands.

Fifth, we need to begin laying the groundwork for nixing a conference and "ping-ponging" any bill that comes out of the Senate. In order for a bill to go to conference, the Senate must adopt three successive filibusterable motions: The motion to disagree with the House. The motion to request a conference. The motion to instruct the chair to appoint conferees. Given that Dems have made it transparently clear that they intend to use the conference to jettison the compromises they made to get to conference, it shouldn't be difficult to get 41 votes against these three motions.

If the bill cannot go to conference, it must be "ping-ponged" between houses. This means that every time it comes back to the House or Senate, it is, at least in theory, fully amendable, as though it had never been considered by either body.

THEMES

- A number of Republicans, including Mike Pence, used my \$1.3 trillion cost figure on the floor, without any Democratic rebuttal. But using the figure without explaining it is like telling a joke without revealing the punchline. The punchline is this:
- Nancy Pelosi lied when she said this bill costs \$894 billion -- a figure she pulled out of her ear. CBO scored it at \$1.055 trillion. And that figure can be reached only if you don't count the \$210-247 billion AMA bribe (the "doc fix") which is being sneaked through on a separate bill (H.R. 3961). The real cost of the bill is between \$1.3 trillion and \$1.5 trillion, once you factor in this Bernie Madoff-type fraud scheme. And, if you assume that a Congress which is trying to repeal the \$247 billion in Medicare cuts it promised in 1997 is not going to be able to achieve the \$426 billion in Medicare cuts it is promising now, the cost is between \$1.8 and \$2 trillion. And the increase in the deficit is between \$800 billion and \$1 trillion. THEME: ONCE YOU DISCOUNT THREE BERNIE MADOFF-TYPE FRAUD SCHEMES BEING PUSHED BY THIS BILL'S PROPONENTS, THE TOTAL COST OF THE BILL IS BETWEEN 1.8 AND \$2 TRILLION, AND THE INCREASE IN THE DEFICIT IS BETWEEN \$800 BILLION AND \$1 TRILLION.
- Everyone, including CBO, admits that this bill would dramatically increase insurance premiums. Wellpoint says they could triple. Price Waterhouse places premiums at \$25,900 for a family of four by 2019. Liberals blast Price Waterhouse's failure to consider the effect of subsidies, but push their own Kaiser model which fails to consider the effect of tax increases on premiums. THEME: THIS BILL WOULD INCREASE PREMIUMS FAR FASTER THAN THEY WOULD INCREASE IF CONGRESS DID NOTHING -- BUT WOULD REQUIRE PEOPLE TO BUY EXPENSIVE OBAMA-APPROVED POLICIES UNDER PENALTY OF LAW. SINGLES WOULD NOT RECEIVE ANY SUBSIDIES OR DISPENSATION IF THEIR INCOME WAS OVER \$44,000. AND, IF YOU COULDN'T AFFORD THE PREMIUM, YOU WOULD PAY A 2.5%-OF-INCOME FINE. AND, IF YOU COULDN'T AFFORD THE FINE, YOU COULD GO TO PRISON FOR FIVE YEARS.

-You can't "keep the insurance you currently have" if you are one of the 10.2 million seniors with Medicare Advantage. You can't "keep the insurance you currently have" after five years, if you receive insurance through your employer and, as is nearly certain, your insurance is not Obama-approved. You cannot "keep the insurance you currently have" if you are an individual and your policy changes in any way, perhaps even as a result of a premium increase.

THEME: IN SHORT, YOU CAN'T KEEP THE INSURANCE YOU CURRENTLY HAVE. VIRTUALLY EVERYONE WILL BE REQUIRED TO HAVE POLICIES APPROVED BY THE OBAMA ADMINISTRATION.