

President's budget said to reduce healthcare spending by revamping system.

In a front-page story, the [Washington Post](#) (2/22, A1, Montgomery, Connolly) reported that "President Obama is putting the finishing touches on an ambitious first budget that seeks to cut the federal deficit in half over the next four years." However, "Obama faces the long-term challenge of retirement and health programs that threaten to bankrupt the government years down the road, as well as the more immediate problem of deficits bloated by spending on the economy and financial system bailouts." The Post notes, "Administration officials and outside experts say the most likely path to revamping the health system is to begin with" Medicare and Medicaid. Reforms "such as rewarding physicians who computerize their medical records or paying doctors for results rather than procedures -- could improve care while generating long-term savings, experts say."

Obama turns focus to affordable healthcare for all. [Bloomberg News](#) (2/23, Marcus) reports, "With the economic stimulus package signed, President Barack Obama this week will outline how he plans to provide affordable medical coverage for all Americans, an administration official said." On Monday, Obama "will tell a joint meeting of the House and Senate that revamping the US health system is a priority, according to the official, who spoke on condition of anonymity. The President will outline how he plans to pay for it when he submits his budget to Congress on Feb. 26, the official said in a telephone interview yesterday." As a possible solution, "the president may look to reduce payments to private Medicare Advantage plans," according to the official. During the presidential campaign, "Obama said...that he wanted to cut \$15 billion in government payments to the plans, which private insurers such as UnitedHealth Group, Inc., of Minnetonka, Minnesota, offer to seniors in place of the government's Medicare insurance program for the elderly."

Consensus on health reform breaks down on details. The [AP](#) (2/22, Alonso-Zaldivar) reported that "President Barack Obama and Congress are plunging ahead with a healthcare overhaul." In doing so, Obama is expected to "start the dialogue on how to increase coverage, restrain costs, and improve quality" this week followed by "a budget that includes a commitment to expand coverage for the uninsured." Sen. Ron Wyden (D-OR) noted that although "there are areas in which there is going to be spirited debate...there are four or five major areas where there's a lot of common ground." In fact, data indicate that "consensus starts to break down once thorny details such as costs and the government's influence on the doctor-patient relationship come into the picture." And, "potential dealbreakers lurk at every turn." **Among "conservatives and insurance companies," a "public plan offered to workers and their families" is perceived as "the gateway for Canada-style government healthcare." Meanwhile, "employers, hospitals, doctors, and drug companies worry that the government's already pervasive influence in healthcare will become stifling**