

produced in the House and Senate failed to bring the "fundamental change" needed to bring down health costs in the long run. So the following Monday, he summoned Elmendorf, former CBO director Alice Rivlin, Massachusetts Institute of Technology economist Jonathan Gruber and Harvard University's David Cutler to the Oval Office to go over the bills and find other ways to wring out savings. The next day, Obama met with moderate Blue Dog Democrats who have stymied the health-care progress in the House. Drawing on advice from the economists the day before, the President revisited an idea that committee chairmen on Capitol Hill had previously rejected: take from Congress the power to set Medicare reimbursement rates and give it to an independent board. The backroom session went on for hours; by the time it was over, Obama was on his way to winning on that point.

Will that kind of LBJ-style maneuvering be enough? Skepticism is growing. Before taking a risky vote that could come back to haunt them, Democrats are clamoring for a clearer idea of where the President stands on some of the thornier issues, like who should be taxed—and how much—to cover the uninsured. "They want to make sure what they are voting on will be there in the end," says Connecticut Congressman Joe Courtney. "This is a unique role the White House can play."

Some Obama allies fear that in his eagerness to get a deal—especially one that can attract Republican votes—he is giving away too much. The Senate Finance Committee, for example, is on the verge of a deal that would jettison the public option in favor of nonprofit, consumer-owned health-care co-ops, which would mean far less government involvement than many liberals would like to see. The Finance Committee, whose chairman, Max Baucus of Montana, is working closely with ranking Republican Charles Grassley, appears poised to omit any requirement that employers provide coverage to their workers (though they would have to reimburse the government for what it would pay to help them buy their own coverage) and to give relatively skimpy subsidies to Americans who would now find themselves required to buy insurance.

Those provisions make liberal Democrats uncomfortable, if not suspicious. "The assumption that Democrats will accept anything is a totally false assumption," says Senator Christopher Dodd, who led the drafting of a more generous Senate alternative measure. "It had better be a strong bill, or they won't have a bill."—WITH REPORTING BY SOPHIA YAN/WASHINGTON

## TIME POLL

When TIME asked 1,000 Americans what they thought about the prospects for health-care reform, a majority responded that large adjustments rather than minor reforms are needed in the way that Washington regulates medicine. At the same time, however, voters fear that Congress is likely to enact changes in insurance practices and federal programs that will needlessly complicate health care, increase costs and limit the ability of patients to choose their doctors, hospitals and treatments.

### Health care

**55%**

PERCENTAGE OF THOSE POLLED WHO BELIEVE THE CURRENT HEALTH-CARE SYSTEM NEEDS MAJOR REFORM



Are you currently covered by any form of health insurance or health-care plan?



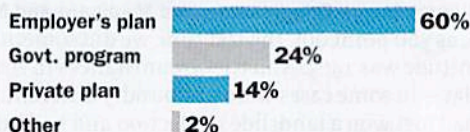
PERCENTAGE OF AMERICANS WHO ARE SATISFIED WITH THEIR CURRENT HEALTH-CARE PLAN

**62%** believe the final health-care legislation is likely to raise their health-care costs in the long run

**56%** believe it will give them less freedom to choose their doctors and coverage

**65%** believe it will make everything more complicated

Are you covered through an employer's plan, a private plan you bought yourself or a government program such as Medicare or Medicaid?



Overall, how would you rate the health-care system in the U.S.?



**33%**

PERCENTAGE OF PEOPLE WHO ARE WORRIED THEY COULD LOSE THEIR HEALTH INSURANCE IN THE NEXT 12 MONTHS

### Obama at six months

Overall, do you approve or disapprove of his handling of the job?



Do you approve or disapprove of the job President Obama is doing in each of these areas?



**69%**

PERCENTAGE OF THOSE POLLED WHO BELIEVE IT IS IMPORTANT TO PASS A MAJOR HEALTH-CARE-REFORM BILL IN THE NEXT FEW MONTHS

Whom do you trust more to develop new health-care legislation?

**47%** President Obama  
**32%** Republicans in Congress

**51%**

PERCENTAGE OF THOSE SURVEYED WHO BELIEVE THAT THE COUNTRY IS HEADED IN THE RIGHT DIRECTION

The poll, conducted for TIME by Abt SRBI, surveyed 1,002 American adults on July 27 and 28. It has a margin of error of ±3 percentage points

# 'This Has Been the Most Difficult Test for Me.'

TIME national political correspondent Karen Tumulty, who has been closely covering the health-care debate, sat down with President Barack Obama in the Oval Office to discuss the difficult task of piecing together health-care legislation.

**I thought I'd talk to you a little bit about the whole degree to which this is really a test of leadership. The fact is that no President has been able to pull off anything on this order of magnitude in 44 years [since Congress passed Medicare and Medicaid].**

Well, as you point out, the last time we did something of this magnitude was 1965. And the circumstances in some cases were similar—in some cases were profoundly different. Obviously LBJ had just won a landslide re-election and had huge majorities in the Senate and the House. We have the largest Democratic majorities since LBJ. But the way that Congress works is a little bit different today than it was then... I think that Congress is more splintered. I think each member of Congress is a little more independent from party than they might have been in the past. I think the nature of the Republican opposition has changed. Today it's much more concentrated on the conservative end... Whether we've struck that right balance, we'll find out in the next couple of months.

**There are a lot of people right now on Capitol Hill who are saying, "We need more from him. He's got to tell us where his bright red lines are on this."**

The truth is, we've actually, I think, provided more guidance than has been advertised. I mean, if you think about how we've moved this forward, we didn't simply put out some broad principles. We were fairly specific. We said we need to have insurance reform, and that's going to include things like preventing insurers from dropping people because of pre-existing conditions. We said that we are going to need to expand coverage, that an insurance exchange that would provide people a menu of options was an important mechanism to expand choice and help to deliver help to people who didn't have health insurance or were underinsured. We talked about the need for a public option as part of that health-care exchange.

**Although you didn't define what a public option really is.**

I would say, actually, we defined it fairly clearly in terms of what we thought would work best. What I said was, is that it shouldn't be something that's simply a taxpayer-subsidized system that wasn't accountable but rather had to be self-sustaining through premiums and that had to compete with private insurers... Now, if you look at the results, the 80% of all the various bills that are out there that people have agreed to reflect our—most of our ideas from the start of this process... But the

20% that right now is still the holdup would have been a holdup if we had put forward a plan, hadn't put forward a plan, had left it to Congress, had written it ourselves—because it represents some long-standing ideological divisions in our Congress and, frankly, in our society... We've put forward what I continue to believe is the most sensible way of financing [a portion of covering the cost of the uninsured], and that is simply to lower the deductions, the itemized deductions that wealthy individuals can take. That would have covered it... The fact that that has not yet been adopted I don't think is reflective of me not giving clarity to Congress. It has to do with the fact that members of Congress are skittish about anything involving taxes, even though these are taxes that would not be imposed on anybody making less than \$250,000 a year... And when you have a system this large, with this many players involved, it was inevitable that not only would that be contentious but that, again, the public would be suspicious of the possibilities that somehow this means that my doctor is not going to be able to give me what he or she thinks I need.

**But isn't that going to happen occasionally or at least that I'm not going to be able to get what I want?**

Here's how I've described it, and this is the truth as I see it:



there is nothing that would make you healthier that health reform would prevent you from getting.

**Well, you know, a few months ago, you brought up your own grandmother's situation [choice to have an expensive hip replacement when she was terminally ill]. It was painful and personal because every**