Week of October 15th

Senate Close to Deal on Shutdown - Debt Ceiling Impasse - Maybe

Senate leaders have worked out a proposal that would reopen the federal government and raise the nation's borrowing limit until early next year. The still-evolving deal being worked out today by Senate Majority Leader Harry Reid (D-NV) and Minority Leader Mitch McConnell (R-KY) could be officially unveiled to both parties in the Senate as early as tonight.

But now, Senate talks have stalled after details leaked about a separate proposal from House Republicans, which would raise the debt ceiling but again included provisions modifying the Affordable Care Act (ACA). Now, progress is shaky in the Senate, and the House plan is under siege: Sen. Reid declared it a nonstarter in the Senate, and there are questions about whether it could even pass the House, as a number of the most conservative Republicans say House Speaker John Boehner (R-OH) is giving away too much.

As of this morning, the Senate deal would remove the debt ceiling until February 7, 2014; temporarily fund the government through January 15 (when the automatic sequester is set to cut FY2014 expenditures by about 5% across the board); and require a deadline of December 13, 2013 for a House-Senate budget conference to agree on a long-term plan, allowing time for a FY2014 omnibus appropriations bill to move by mid-January. Other components of the deal would tweak deadlines for some provisions, including the reinsurance fee required of employers in the ACA.

The House proposal would fund the government until January 15, extend borrowing limits through February 7, and create a bicameral budget conference with a deadline of December 13, just like the Senate version. However, major differences are on the Affordable Care Act side. Like the Senate plan, it toughens income verification under the federal health-care law. It adds in a version of the “Vitter amendment” (Sen. Vitter (R-LA) offered an amendment to an energy efficiency bill earlier last month that would have taken away health care subsidies provided for in the ACA to Members of Congress, their staff, and appointed officials working in the Obama Administration). But it replaces the Senate plan's delay of the reinsurance fee in the ACA with a two-year delay of the medical device tax.

Stay tuned...the above provisions have been as solid as syrup over the last few days and hours. If Congress does nothing, the federal government would remain closed and run out of
borrowing authority on October 17 and start missing payments on debt for money already spent sometime between October 22 and October 31, according to the Congressional Budget Office.

Week in Review

Movement on Farm Bill

On Saturday, October 12, the House of Representatives named its members that will serve on the conference committee to reconcile the House and Senate-passed farm bills. For more on conferees, click here.

Medicaid Not Playing Second Fiddle to Health Exchanges

While the problems surrounding the launch of the state health exchanges have occupied much of the public's attention, the uneven adoption of Medicaid expansions continues to muddle the national approach to health care reform. For more, click here.

House Energy and Commerce Committee Launches Health Care Exchange Questions

Republican members on the House Energy and Commerce Committee submitted a formal letter to the U.S. Secretary of Health and Human Services Secretary Kathleen Sebelius seeking data on the number of people enrolling in the Affordable Care Act state-based health care exchanges in their first week. For more, click here.

Congressional Hearing Schedule

With lawmakers focused on last-minute negotiations on a fiscal deal, most other congressional action this week is taking a back seat. Accordingly, lawmakers have scheduled an especially light load.

Wednesday, October 16

- House Oversight and House Natural Resources Committees holding a joint hearing to discuss the National Park Service's implementation of the shutdown.
- Senate Banking, Housing and Urban Affairs Committee hearing on housing finance reform and the multifamily housing finance system.