

CQ Transcript March 3, 2008

PROMO

MEDICARE: Report finds Medicare beneficiaries enrolled in Medicare Advantage plans may pay more for some services.

MENTAL HEALTH PARITY: House vote scheduled on mental health parity legislation.

INDIAN HEALTH: Senate reauthorizes Indian health measure.

AIDS: House panel approves reauthorization of President Bush's global AIDS programs.

INTRO:

A report from the Government Accountability Office has found that Medicare beneficiaries enrolled in Medicare Advantage plans may pay more for some health care services than beneficiaries in the program's traditional fee-for-service program. House Democratic leaders have scheduled a floor vote on legislation dealing with mental health parity, while the Senate reauthorized a program dealing with Indian health care, and a House panel approved a plan to reauthorize President Bush's global AIDS program.

MEDICARE:

Question 1: A Government Accountability Office report on Medicare Advantage has found that the beneficiaries enrolled in those plans may pay more for some services than beneficiaries in traditional Medicare. Can you recap that for us?

Answer: The report, released at a House Ways and Means Health Subcommittee hearing, found that on that average, plans projected that cost sharing by Medicare Advantage enrollees was less than half of that paid by enrollees in traditional Medicare. But the report also found that some Medicare Advantage plans require beneficiaries to make higher co-payments for some services than are required for enrollees in Medicare fee-for-service. For example, GAO found that 19 percent of Medicare Advantage beneficiaries were in plans that projected higher cost sharing for home health services and 16 percent of beneficiaries were in plans that projected higher cost sharing for inpatient services.

Question 2: How did lawmakers respond to the findings?

Answer: Subcommittee chairman Pete Stark, D-Calif., said the report's findings, plus the previously known data that Medicare Advantage plans are paid on average 13 percent more than rates in traditional Medicare, is further proof that the government is paying private insurers too much to participate in the Medicare program. But ranking Republican Dave Camp, R-Mich., took issue with the report, saying that it was a

flawed study that did little to analyze the experience of beneficiaries enrolled in Medicare Advantage plans. Camp is also asking the GAO to do another study on the Medicare Advantage program, adding that enrollment has doubled since 2003.

Question 3: Democrats have talked previously reducing Medicare Advantage payments. How will these findings impact those discussions?

Answer: It will be viewed as additional evidence that the plans are overpaid, but President Bush and congressional Republicans are sure to take a strong stance against any reductions in Medicare Advantage payments, just as they did last year. The findings will also put pressure on the plans to provide more data to the Medicare program in areas such as what additional benefits are provided and which beneficiaries use those services. Democrats may try to move any Medicare payment reductions as part of a spending reconciliation bill, which would prevent a filibuster in the Senate.

MENTAL HEALTH PARITY:

Question 4: House Democratic leaders have scheduled a vote on mental health parity legislation. Could you give us the details?

Answer: The bill would require that insurers offering mental health benefits to make them equal in cost and scope to medical or surgical benefits, and the measure would broaden a 1996 law that bans health plans from setting different lifetime or annual limits for mental health coverage than for other illnesses. Employers with fewer than 50 employees would be exempt from the bill's requirements, and the measure would not pre-empt tougher state parity laws.

Question 5: Has the Senate passed a bill on this as well?

Answer: Yes, but the Senate's version is more limited than the House bill. The Senate bill does not require insurers to cover specific conditions, and that measure has attracted more support among Republicans than the House bill. Opponents of the House bill say it will increase costs for health insurers and employers and they charge it would actually decrease mental health coverage by encouraging employers to drop coverage for mental health services or face mandates if they do provide such coverage.

INDIAN HEALTH:

Question 6: The Senate approved a measure dealing with Indian health services. What happened there?

Answer: The measure, which passed 83-10, would renew through fiscal 2017 the Indian Health Service, the agency that administers the health care programs. Spending for the programs in fiscal 2008 is expected to total about \$3 billion; the bill would authorize \$35 billion over 10 years. It was the first major overhaul of American Indian health care programs since 1992, sending to the House legislation to authorize new money and services for 1.8 million beneficiaries.

Question 7: How will the House's consideration of the bill proceed?

Answer: In the House, the committees of jurisdiction have yet to consider the measure. House Energy and Commerce Health Subcommittee Chairman Frank Pallone, D-N.J., said he's not looking to make major changes in the bill, but he might try to eliminate some of the amendments the Senate added, including one that would ban any funds authorized under the bill from being used to decrease gun ownership.

Question 8: Separately, the Senate Health, Education, Labor and Pensions Committee approved several health-related measures. Could you give us the details?

Answer: The panel approved a measure that would authorize \$40 million annually through fiscal 2012 to study environmental causes of breast cancer, such as pollution. The panel also approved legislation that would create a hotline for parents of children diagnosed with Down syndrome and among its other provisions, the bill would create a database of parents willing to adopt children with Down syndrome.

AIDS:

Question 9: House committee has approved legislation to reauthorize President Bush's global AIDS program. Could you tell us about that?

Answer: The House Foreign Affairs Committee approved the bill on a voice vote after minimal debate and with no amendments offered after committee members and White House officials reached a compromise on the measure.

Question 10: What would the bill do?

Answer: It would authorize significantly more funding than the president requested -- \$50 billion, rather than \$30 billion, over the next five years -- while easing some of the social policy constraints that the White House and some GOP conservatives had imposed on the program. For example, the measure would replace a current requirement that one-third of all prevention funding go to abstinence education, with a new mandate for evidence-based, "balanced funding" for abstinence, fidelity and condom programs, the three facets of traditional HIV prevention strategy. The measure would also require reports to Congress if abstinence and fidelity programs make up less than 50 percent of spending in a given country.