

CQ Transcript May 27, 2008

PROMO

MEDICARE: Senate Democrats are moving ahead with their own Medicare bill.

MEDICAID: War supplemental spending bill includes moratorium on new Medicaid regulations.

HEALTH REFORM: Senate Finance Committee plans health care summit for June.

INTRO: Before adjourning for the Memorial Day recess, Senate Finance Democrats announced they are moving ahead without panel Republicans to craft Medicare legislation that would stop a scheduled reduction in Medicare physician payment rates. A supplemental spending bill to fund the ongoing wars in Iraq and Afghanistan would block for a year new Medicaid regulations proposed by the Bush Administration. Separately, members of the Senate Finance Committee have announced a bicameral, bipartisan health policy summit for June.

MEDICARE

Question 1: Senate Finance Committee Chairman Max Baucus, D-Mont., has said he plans to move ahead with Medicare legislation in June that may not have the backing of the panel's Republicans. Can you update us on that?

Answer: While Baucus usually joins forces with the panel's ranking Republican, Charles E. Grassley, R-Iowa, in crafting Medicare legislation, Democrats are going alone this time because the bill they are developing is not likely to win Republican support.

Question 2: Why not?

Answer: Democrats feel strongly about using cuts in payments to Medicare Advantage plans - the private insurers that offer coverage to Medicare beneficiaries - as a way to finance legislation that will stop a scheduled 10.6 percent cut in the rates that Medicare pays physicians. But since many Republicans as well as the White House oppose any major cuts to Medicare Advantage plans, the Democrats' bill will almost certainly be blocked. In addition, Senate Republicans are expected to have their own legislative approach on the issue, which will likely force a compromise before July 1 when the cut is scheduled to go into effect.

Question 3: So what happens next?

Answer: Baucus said he plans to draft his bill over the Memorial Day recess and move it directly to the Senate floor in early June. In addition to the language on physician payment, the measure also may also include incentives to encourage electronic prescribing in Medicare, improve preventative care and provide higher payments for rural health care providers. Lawmakers from both sides of the aisle had hoped to block the scheduled cuts in physician payment for 18 months, but unless savings can be found elsewhere, the final bill may address the cuts for a shorter period of time.

MEDICAID

Question 4: Before adjourning for the Memorial Day recess, the Senate passed legislation to fund the ongoing wars in Iraq and Afghanistan that also includes health care provisions. Could you tell us about that?

Answer: A provision in the war supplemental measure dealing with Medicaid would block for a year implementation of seven regulations issued by the Department of Health and Human Services that would reduce federal spending on the program by about \$20 billion. While the House has yet to approve the supplemental, the chamber has already passed stand-alone legislation that would block the regulations and has a provision in its version of the supplemental bill that would accomplish the same goal.

Question 5: As the Senate was considering the supplemental, the head of the Department of Health and Human Services, or HHS, made an announcement about enforcement of the regulations. What did he say?

Answer: HHS Secretary Michael Leavitt announced that he would voluntarily delay two of the regulations until Aug. 1 in an attempt to work out differences between Capitol Hill and the nation's governors. But the Senate approved the supplemental, which would block all seven of the Medicaid regulations.

Question 6: A court decision issued late Friday will also impact implementation of these Medicaid regulations. Could you bring us up to date on that?

Answer: A federal judge set aside a regulation dealing with payments to safety net hospitals, saying that Bush Administration actions tried to circumvent congressional intent. In a statement, hospital groups said the ruling may only temporarily delay the regulation and a spokesman for the Centers for Medicare and Medicaid Services, or CMS, said Friday that CMS is confident the rule will be upheld. Expect Congress to remain involved in this issue because many governors have complained that the new Medicaid regulations would hurt states' ability to provide care to the poor and disabled. Administration officials say the regulations are needed to make sure Medicaid dollars are spent for health care purposes.

Question 7: What other health related issues are in the supplemental?

Answer: One provision that has attracted some attention would restore government subsidies for birth control pills and devices at university health clinics and Planned Parenthood centers, undoing language in the 2006 deficit reduction law that cut money from a variety of programs, including federal student loans, Medicare and Medicaid. The birth control provision has angered some Senate Republicans, who said the language has no place in a war spending bill.

HEALTH REFORM

Question 8: The Senate Finance Committee has announced plans for a health care reform summit next month. Could you tell us about that?

Answer: The panel has announced a bipartisan, bicameral health policy summit to take place June 16 at the Library of Congress. It's part of the Finance committee's year-long series of hearing, forums and other events to prepare for what many hope will be congressional action next year on health care reform.

Question 8: How will the forums work?

Answer: The hope is to examine health care from, if you will, all the angles. How rising health care costs hurt U.S. businesses ability to compete globally. State-based health care reform efforts will also be examined, as will trends in employer-sponsored health coverage, demographic trends, public programs and delivery-of-care issues.

Question 9: Increasing use of health information technology is one area of health care reform that many members of Congress are interested in. Are there any new developments there?

Answer: Shortly before the Memorial Day recess, House Energy and Commerce Committee Chairman John D. Dingell, D-Mich., released draft legislation to promote the use of electronic health care records. The panel is expected to have a hearing in June on the bill and key Republicans on the panel expressed their support for the draft. The Senate, meanwhile, is continuing to work on a health IT bill that would authorize loans and grants to help health care providers buy information technology. Privacy concerns have slowed movement of the Senate measure and will play a role in any discussion of a House bill as well.