

CQ Transcript
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PROMO

MEDICARE: Senate Republicans block debate on Democrats' Medicare bill

VETERANS: House panel approves measures dealing with VA health system.

HEALTH INSURANCE: Bipartisan group of House members introduce small business health bill.

INTRO

Senate Republicans blocked Democrats' efforts to have the chamber debate legislation that would prevent a scheduled cut in Medicare physician payment rates. A House subcommittee approved legislation intended to help veterans more easily navigate the VA health system, and House members unveiled legislation they said would help small businesses purchase health insurance at more affordable rates.

MEDICARE

Question 1: Senate Democrats did not succeed in their bid to have the chamber debate their version of Medicare legislation. What happened?

Answer: Senate Finance Committee Chairman Max Baucus, D-Mont., brought his Medicare measure to the Senate floor but did not win the 60 votes needed to begin debate on the bill. The tally was 54 to 39, so Baucus was just six votes short of the amount needed to prevent a filibuster.

Question 2: Baucus made some changes in an attempt to win more support for his bill. Can you tell us about those?

Answer: One key, last-minute addition was language to delay for 18 months a Medicare competitive bidding program for durable medical equipment that has drawn the ire of some medical equipment suppliers who say the program is flawed in several ways and should be put on hold until those concerns are resolved. Including that language in his bill helped Baucus win some extra Republican votes for his bill, but that additional support was not enough to get the votes needed to start debate. Additionally, officials of the Centers for Medicare and Medicaid Services, or CMS, say that they have found no major problems with how they've selected suppliers for the program, which is scheduled to begin July 1 in 10 areas around the country.

Question 3: What are the major disagreements between Baucus' bill and Medicare legislation offered by the Finance panel's ranking Republican, Charles E. Grassley of Iowa?

Answer: While the bills have a lot in common – for example both would stop a scheduled 10.6 % cut in Medicare physician payments scheduled to go into effect July 1 – they part company on payments to Medicare Advantage, the private insurers in the Medicare program. Baucus would make more changes to the Medicare Advantage program than Grassley's bill. For example, Baucus would require private fee-for-service plans to establish provider networks, which opponents say would make it difficult for those plans to operate in certain areas of the country. Grassley opposed those changes, as did the White House, which threatened to veto the bill.

Question 4: What's next for this bill?

Answer: Baucus and Grassley have combined forces many times before to produce legislation that they co-sponsor, and that is the likely scenario that will happen this time. The impending July 1 deadline may help speed things along, but the ultimate product may be a Medicare physician payment fix that is shorter than the 18 month period now specified in both bills. A smaller bill would cost less to finance, but it also means that lawmakers and staff may be forced to confront this problem again sooner than they'd like to.

VETERANS

Question 5: A House panel recently approved two measures dealing with the VA health care system. Could you describe those for us?

Answer: One of the bills approved by the House Veterans Affairs Subcommittee on Health would call for the appointment of six regional ombudsmen who would provide information about coverage and help veterans understand their benefits and submit claims to the Veterans Health Administration and the Veterans Benefits Administration. A second bill the subcommittee passed would authorize \$5 million annually from fiscal 2009 to 2013 to establish epilepsy centers of excellence within the VA's five poly-trauma rehabilitation centers. Staffers at the centers would investigate the diagnosis, treatment and long-term effects of epilepsy, coordinate care for epileptic veterans and develop a national referral system for veterans who suffer from epilepsy.

Question 6: Separately, the House recently passed a bill dealing with research and childhood cancer. What would that measure do?

Answer: It would authorize \$30 million a year from fiscal 2009 to 2013 to support pediatric cancer research institutes, establish a childhood cancer database and provide information about the diseases to affected families. The bill, named for the daughter of

Rep. Deborah Pryce, R-Ohio, who died of cancer in 1999 at age 9, passed the chamber on a voice vote.

Question 7: What are the bill's prospects in the Senate?

Answer: While the Senate Health, Education, Labor and Pensions panel passed a similar pediatric cancer bill last November, it has not advanced in the Senate because an unidentified senator has placed a hold on the legislation. But the House passage may put more pressure on the Senate to take action.

HEALTH INSURANCE

Question 8: A bipartisan group of House members has announced support for legislation they say would help small businesses purchase health insurance at more affordable rates. Could you tell us more about this measure?

Answer: Among its provisions, the bill would allow small businesses to form nationwide or statewide pools to purchase health care coverage, and it would provide targeted tax credits for small business owners to offset contributions to employee premiums. The measure would also ban health status rating to shield businesses from large rate increases because an employee gets sick. A similar bill is pending in the Senate.

Question 9: What groups support the measure?

Answer: It has backing from both business and union groups. For example, the National Federation of Independent Business as well as the Service Employees International Union support the bill. Other backers include AARP and Families USA.