

CQ Transcript
July 14, 2008

PROMO

MEDICARE: Senate passes Medicare measure.

MENTAL HEALTH PARITY: House and Senate negotiators reach agreement on some elements of mental health parity legislation.

VETERANS: House panel approves bills to overhaul VA health care services

INTRO

Reversing course from action the chamber took shortly before the July 4 break, the Senate passed a measure to stop a 10.6 percent cut in Medicare payments to physicians. House and Senate negotiators are moving closer to a deal on legislation that would provide parity between insurance coverage for physical and mental health services. Separately, a House committee has approved bills that deal with health care services for veterans.

MEDICARE

Question 1: By a veto-proof margin, the Senate passed legislation that would stop a scheduled reduction in Medicare physician payments. How did that play out?

Answer: With the help of Sen. Edward M. Kennedy, who made his first appearance in the chamber since undergoing brain tumor surgery last month, Senate Democrats cleared for President Bush's signature House legislation that would block a 10.6 percent cut in Medicare physician payments that was scheduled to begin this month and replace it with a 1.1 percent increase in 2009.

Kennedy's appearance was a moment of high drama for the chamber and he also provided the support that Majority Leader Harry Reid, D-Nev., needed to get to the critical number of 60 votes for the bill, the amount necessary to avoid a filibuster. Once that threshold was reached, several Republicans reversed the "no" votes they had cast on the measure when the Senate considered it before the July 4 recess. The final tally for the bill was 69 to 30. Eighteen Republicans voted for the legislation, including nine who had previously voted against it. Republicans who voted against the legislation before the break faced blistering ad campaigns and lobbying in their home states, and that pressure coupled with Kennedy's appearance and vote for the bill changed the outcome.

Question 2: President Bush has said he would veto the House-passed bill if it reached his desk. How will that play out?

Answer: Democrats sent the bill to the president who, as you note, is expected to veto it. But if all 69 senators who voted in favor of the bill also vote to override the president's veto, the Medicare measure will become law. The House is expected to override Bush's veto as well since the Medicare bill passed there on June 24 by a vote of 355 to 59, more than the two-thirds majority needed to override a presidential veto.

Question 3: A lot of the focus on this bill has been on physician payments. What other areas does the bill cover?

Answer: It would delay for 18 months a competitive bidding program for durable medical equipment, with the delay financed by a reduction in Medicare reimbursements for items that would have been covered by the program. Other provisions of the bill would prohibit or limit certain sales and marketing practices of Medicare Advantage and Medicare drug plans, and there is also language in the bill that would make changes in the Medicare drug law to make it easier for beneficiaries to qualify for and enroll in its low-income subsidy program. In addition, the measure would move towards electronic prescribing in the Medicare drug program and require that prescription drug plans pay pharmacies promptly. Another provision in the legislation would extend the exceptions process for therapy services through December of next year.

Key financing provisions in the bill are a phase-out of indirect medical education payments to Medicare Advantage plans and restrictions on the ability of some Medicare private fee-for-service plans to "deem" providers into the plan, and instead would require those plans to form provider networks.

MENTAL HEALTH PARITY

Question 4: After months of talks, House and Senate negotiators appear to be getting closer to a deal on mental health parity legislation. Can you update us?

Answer: The agreement focuses on whether the legislation would cover specific mental illnesses and how insurers would be required to pay for out-of-network treatment for mental health care. While House negotiators had pushed to require private health insurers cover a specific list of mental health and substance abuse conditions, that was opposed by insurers and business groups, as well as the White House, who felt it was too far reaching. Instead, the agreement calls for two government studies to determine if insurers are discriminating against certain conditions or failing to cover some treatments.

On the out-of-network issue, mental health benefits would be treated the same as other medical benefits. For example, if the insurer offered out-of-network coverage for medical benefits, it would have to offer equal mental health coverage as well.

Question 5: What obstacles remain to further action on this bill?

Answer: Financing remains a problem. The Senate has objected to offsets in the House bill, including restrictions on so-called specialty hospitals and a change in how Medicaid reimburses for prescription drugs. While both the House and Senate have passed mental health parity bills, neither chamber has acted on the other's legislation. That said, Democratic leaders in both chambers have said that passing mental health parity legislation remains a priority for this year, so stay tuned.

VETERANS

Question 6: A House panel has approved several bills dealing with veterans' health care. Could you give us the highlights?

Answer: One of the measures would establish a three-year pilot program allowing some veterans who live in rural areas that are located long distances from veterans' health care facilities to receive health services through outside providers. The House Veterans Affairs Health Subcommittee also approved a bill that would extend mental health benefits to family members of veterans who receive non-service-connected treatment, and another measure would prohibit the department from requiring certain co-payments for medical treatment from catastrophically disabled veterans.

Question 7: What's the next step for these measures?

Answer: The full House Veterans Affairs panel is scheduled to mark up the bills on July 16.

Question 8: Separately, the House Energy and Commerce Health Subcommittee also took action on several health care bills. Could you summarize that for us?

Answer: The panel approved a bill that would allow full-time students over the age of 18 who become severely ill to maintain their parents' health insurance if they take a certified medical leave of absence from school. The bill would require group health plans and plans in the individual market to continue coverage for sick students for up to a year. Other measures the subcommittee approved aim to give the Food and Drug Administration the structure and resources it needs to do timely and complete reviews of applications for brand-name and generic animal drugs.

Question 9: I'd also like to check in on the status of the Global AIDS bill. What's new there?

Answer: The Senate is scheduled to take up the \$50 billion measure this week after leaders struck a deal to consider 10 Republican amendments, most of which are aimed at cutting the measure's cost. The largest of those amendments will come from Sen. Jim

DeMint, R-S.C., in an amendment to cut the legislation's size to \$35 billion. Other amendments would strike a provision in the bill that would repeal a ban on HIV-positive visitors to the United States, while another amendment would redirect money to improve American Indian drinking water and law enforcement.