

**House-Senate Conference Committee:
H.R.1 - Medicare Prescription Drugs
and Modernization Act of 2003
July 24, 2003**

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MALE VOICE: ...spirit of bipartisanship that apparently we enjoyed yesterday at the White House. But after that meeting a statement was attributed to you that you have to practice bipartisanship all the time, not just in front of the cameras. And, uh, and this was said after we left the White House. And I want to agree with you and I don't know whether you've got to have cameras at all of the meetings, but it would be helpful if the Democrats knew where the meetings were going to be and were invited to attend the meetings because that's the only way we can prove that we want to be bipartisan. So that I accept your statement after we left the White House and I hope we will continue to have the spirit that we have today to prevail throughout the conference.

CHAIRMAN BILL THOMAS: (unintelligible), please. The gentleman was able to locate the room today and we hope we can keep the string going.

MALE VOICE 1: One day at a time, Mr. Chairman.

CHAIRMAN BILL THOMAS: Rank - ranking of the Senate Finance Committee, gentleman from Montana, Mr. Baucus.

SENATOR MAX BAUCUS: Mr. Chairman, I join everyone in congratulating you for pulling together the regulatory form and the relief of the contractor reform provisions. It's interesting how bipartisan this is, this section. We've been, as you've pointed out, many have been working on it for a while, but we all do agree - here around the table nobody

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disagrees. And I think that's partly because we've been working on it for a good bit of time. And I think that suggests that we could do the same with the rest of the bill if we put our shoulder to the wheel and spend the time necessary to work out all the complexities. It's going to be extremely difficult putting this together, but if all of us work hard we'll accomplish our objective and it will be a - have to be on a bipartisan basis, otherwise it just won't happen. And I was very pleased with the President's statement at the White House (unintelligible) passed - the prescription drug benefit bill passed and he wants it on a bipartisan basis. And I thank you, Mr. Chairman, for getting the list - last part - that is this part, the regulatory reform, passed on that basis. I particularly thank you for the air ambulance provisions. That's very important to my state of Montana. And I just wish us well. I see you've got a schedule for August/September. It's very ambitious but I commend you for that, too, because we've got to get going. We've got to get working. But you have my pledge, Mr. Chairman, to work together to get this entire bill passed and I'll work very hard to accomplish that objective.

CHAIRMAN BILL THOMAS: Thank you, gentleman. Chair understands there is a Senate vote with 13 minutes left, and I know the gentlewoman from Connecticut, who has been one of the principle sponsors of this regulatory reform, wishes to speak

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on it. But the Chair would ask her indulgence if we might do it in a slightly reverse order so that the Senators might be able to register their support for this provision and briefly discuss the agenda, and then the Chair would like to recognize her. Is that all right? I thank the gentlewoman. The Chair would appreciate some indication that - not withstanding the fact that there are particular items that still need to be resolved in Title 9, that there be an expression of -- with clear understanding that nothing's final until everything is final -- but the idea that we could set aside and begin to move on through the agenda to look at other areas that may be a little more difficult to resolve, in part because we're not as familiar with them and we might have significantly different approaches to the same problem, which wasn't true in the regulatory area. So without objection the Chair would indicate that with all of the provisos that have been indicated, everyone in favor of accepting the work that you have in front of you, best characterized by the sheets called Summary of Regulatory and Contracting Reform Conference Agreement. All in favor?

VOICES: Aye.

CHAIRMAN BILL THOMAS: Those opposed? Without objection then we have tentatively agreed to this section. Just very briefly looking at the agenda that is in front of you, it is very ambitious, but as my friend from Iowa has

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indicated, if you don't set some kind of a structure you never get there. He was earlier requesting that we get it done by the time we leave, and that would have taken considerable less paper but probably could - couldn't have made it. This one's going to be tough enough. But what we tried to do is create a thematic approach to what we would be dealing with. That doesn't mean that certain areas won't move faster than others, but so that you have a blocked out structure of how we'll be dealing with it. And obviously as the staff meets with selected members, if they wish, over the summer district work period, at the beginning of the week or near the end of the week the staff structure will put out a more specific tasking structure, which would then fill in those dark areas through those weeks. But I would just ask, is there any major question about the agenda that we have in front of us? The gentleman from Louisiana.

SENATOR JOHN BREAUX: What do all the arrows mean?

CHAIRMAN BILL THOMAS: What do the arrows mean? It means start over on the left, move towards the right, and as you get to the point - you understand the point?

SENATOR JOHN BREAUX: I'm going to have to be here during the arrow period?

CHAIRMAN BILL THOMAS: You got August 11th through the 15th off there. There you go. This is basically structured on if the spirit moves you. Gentleman from Michigan?

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CONGRESSMAN JOHN DINGELL: (Unintelligible).

CHAIRMAN BILL THOMAS: Could we have a microphone for the gentleman?

CONGRESSMAN JOHN DINGELL: And mostly I just want to agree with you, Mr. Chairman. I think the first title upon which we have achieved agreement, simplifying the Problems of Medicare Beneficiaries and Providers, is a good one. It's been thoroughly vetted and there's a general consensus. I think that you - your leadership has been very valuable and I thank you for it. We've worked to resolve all differences in this that's funding. I'm not going to wade into that particular thicket but I hope we can - we can address that question. And I would not that this is a particular problem, as you had mentioned to me earlier in other discussions, that needs to be addressed because it helps both providers of different kinds, also the different beneficiaries. And so I comment you it on. Pleased that we have agreed to it at least tentatively, and I thank you for the use of this time.

CHAIRMAN BILL THOMAS: Thank the gentleman. And it's pretty obvious if you don't know what you're getting you're getting you ought to be able to ask the question to find out if you're getting it. It sounds pretty fundamental to me.

CONGRESSMAN JOHN DINGELL: I am trusting today, Mr. Chairman.

CHAIRMAN BILL THOMAS: The Chair assumes without any

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objections, then, at least on a tentative basis, this schedule is adopted as a starting point and it will be revised almost on a daily basis, but the basic outline is there. And with that the Chair would first of all thank the Chairman of the Health subcommittee of Ways and Means and would recognize her for her interest, her effort, and her work product in the area that we're looking at.

CONGRESSWOMAN NANCY JOHNSON: Thank you. I'll be very brief, but it is sort of sobering that the final draft of the regulatory reform bill that - that ended up passing the House overwhelmingly -- I think unanimously -- was scheduled for final hearing on September 11th.

CHAIRMAN BILL THOMAS: Yeah. That's true.

CONGRESSWOMAN NANCY JOHNSON: And it's been that long. The other thing I wanted to mention is that this is about regulatory burden and burden and streamlining, but most of importantly it's about fairness. And I think it's terribly important as we move throughout this conference that Medicare has become a program that is asphyxiating the small provider and squelching the little home health agency and the independent doctor out there, and the smaller entities in our healthcare system. And we will not have access to healthcare if we don't keep that in mind all the way through this bill. So I'm delighted that you got through this bill. I consider this as going to have as much impact on peoples' lives as any

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section of the prescription drug bill. And I thank you, Mr. Chairman, and also the staffs of both chambers and of both parties for their working through what seems to us easy but is a lot of detail and actually at some points it's really quite difficult and hot. So thank you very much to the staff and to the members.

CHAIRMAN BILL THOMAS: If - any additional members, if...

MALE VOICE 2: Chairman, it - I compliment you and others for making this happen. I just hope as we move through the other sections of the bill that we don't undo the good work that we've just done, as far as making a very complex regulatory maze. I think we can avoid that but I think it would be a - it'd be easy to undo some good work.

CHAIRMAN BILL THOMAS: Well, I'll just tell the gentleman, one of the reasons I thought this would be nice to put up on the wall is, that this is a fundamental reminder of what happens if you don't have this as a fundamental reminder. And with that the conference stands adjourned, uh, stands recessed at the call of the Chair.

MALE VOICE: (Unintelligible) adjourned yet. A little early to adjourn it.

VOICES: (General conversation).

(END OF RECORDING)