

CQ Transcript
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PROMO

SCHIP: House and Senate lawmakers have been unable so far to resolve differences over legislation dealing with the State Children's Health Insurance Program (SCHIP).

APPROPRIATIONS: House fails to override President Bush's veto of legislation that would provide for fiscal 2008 funding for health, education and labor programs.

MEDICARE: Legislative package to stop impending Medicare physician pay cut may be part of larger omnibus package.

INTRO:

Before lawmakers left town for the Thanksgiving Day recess, negotiators were unable to reach agreement on legislation to reauthorize the State Children's Health Insurance Program, also known as SCHIP. President Bush vetoed legislation that would fund the departments of Health and Human Services, Education and Labor in fiscal 2008, and House lawmakers failed to override that veto. In the Senate, lawmakers continued their talks on a Medicare package that would stop an impending 10 percent cut in Medicare physician payments; with action expected after the Thanksgiving break.

SCHIP

Question 1: Capitol Hill lawmakers and the Bush Administration have yet to reach an agreement on legislation to reauthorize the State Children's Health Insurance Program, or SCHIP. Could you tell us about that?

Answer: Before the Thanksgiving break, Democratic leaders were trying to find ways to get House Republicans to support an SCHIP bill after President Bush vetoed two earlier versions and the House failed to override those vetoes. But if the bill changes too much to pick up Republican votes, it could lose Democrats. A temporary SCHIP funding extension included in a continuing appropriations resolution will expire Dec. 14.

Question 2: What are some of the key sticking points?

Answer: Some House Republicans would like to limit coverage of adults and tighten measures to prevent undocumented immigrants from enrolling in the program. Republicans are also trying to insert into the SCHIP bill language that would cap eligibility for Medicaid at three times the poverty level, or \$62,000 for a family of three, and prohibit states from excluding some types of expenses, such as rent and

transportation, when calculating eligibility for SCHIP or Medicaid, which would be change from current law.

Question 3: What's been the reaction to that?

Answer: Democrats want the focus on SCHIP, not on Medicaid, and say that they want to make sure the final bill expands health care coverage of uninsured children rather than having fewer children covered.

Question 4: So what's the next step?

Answer: Negotiations are expected to continue after the recess. A longer-term extension is a possible solution, but that would support the Democrats' goal of expanding health care coverage to 10 million children. Stay tuned.

APPROPRIATIONS

Question 5: House lawmakers have failed to override the President's veto the largest domestic spending bill, a measure that would provide fiscal 2008 funding for health, education and labor programs. Could you tell us about that?

Answer: The measure, known as the Labor-HHS bill, includes mandatory spending for the Medicare and Medicaid programs, as well as \$30 billion in funding for the National Institutes of Health. Other health related provisions in the bill include a \$225 million increase in funding for community health centers through the Health Resources and Services Administration (HRSA), and \$50 million for grants to states to expand health care coverage to targeted groups.

Question 6: Why did the president veto the bill?

Answer: He said the measure is too big – it would provide \$150.7 billion in discretionary spending, which is \$9.8 billion more than he proposed. While Bush said the bill's spending is excessive, Democrats accused him of trying to score political points with conservative Republicans by vetoing the Labor-HHS bill, which Democrats say would provide vital funding for such things as vocational education and health research.

Question 7: What's ahead here?

Answer: Senate Majority Leader Harry Reid said Democrats in both chambers are considering sending the president a multi-bill "omnibus" appropriations package in December that would split the difference between what Congress and the White House are seeking in discretionary spending totals for the fiscal 2008 bills. The Democrats' figure is about \$23 billion higher than the president's level. A White House spokesman said the president has been clear about Congress following the budgetary process and passing individual spending bills at "reasonable and responsible" spending levels.

MEDICARE

Question 8: Unless Congress acts, Medicare will cut physician payments by 10 percent as of January 1. Is Congress anywhere close to moving legislation on this issue?

Answer: It looks like the Senate Finance Committee is going to mark up legislation in early December. There's no agreement yet on what that bill is going to be, although it is widely expected to include language to stop the scheduled Medicare physician payment cuts for one or two years. The problem here is offsets. Payment cuts to other Medicare providers, such as Medicare Advantage plans, are likely ways to finance a physician payment fix. House and Senate negotiations are expected to pick up steam once the Finance panel moves its package.

Question 9: How will this play out between now and the end of the year?

Answer: No one knows for sure. It could be part of an end of the year omnibus package that is sent to the White House. Or it could be combined with other moving bills, such as legislation dealing the alternative minimum tax and a temporary extension of funding for the State Children's Health Insurance Program (SCHIP). The dwindling days on the congressional calendar may mean that there's not enough time left in the year to move a stand-alone Medicare bill.