

CQ Transcript
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PROMO

MEDICARE: Senate Finance leaders developing scaled-back bill.

SCHIP: President Bush vetoes second measure from Congress to reauthorize and expand the State Children's Health Insurance Program (SCHIP).

VETERANS: Senate confirms administration nominee to head Department of Veterans Affairs

INTRO

A scaled-back Medicare package to avert a scheduled cut in Medicare physician payments will likely not make major reductions to Medicare Advantage plans to achieve that goal, according to leaders of the Senate Finance Committee. For the second time, President Bush vetoed legislation that would have expanded the State Children's Health Insurance Program (SCHIP), and the Senate has confirmed the administration's nominee to head the Department of Veterans Affairs.

MEDICARE

Question 1: What's the latest with Medicare? Have the House and Senate agreed on a package?

Answer: No, they have not. Action now seems to be focused on the Senate, where leaders of the Senate Finance Committee say they are compiling a Medicare package that is likely to be smaller than earlier envisioned. While Democrats in both chambers had hoped to move a larger package, it looks as if they will not be able to do so.

Question 2: What will some of the changes be?

Answer: The bill will probably not include major cuts in payments to Medicare Advantage, the private insurers in the Medicare program. To help stop a scheduled 10 percent cut in the fees that Medicare pays for physician's services, the bill may tap into money from a "stabilization fund" included in the Medicare drug benefit to entice preferred provider organizations to offer coverage in underserved regions. Leaders of the Senate Finance panel also said that the bill may reduce Medicare Advantage payments for medical education to hospitals with teaching programs, which receive additional Medicare payments to help finance the education of physicians. The measure may also include a long term extension of the State Children's Health Insurance Program, or SCHIP.

Question 3: What's the timing for congressional action?

Answer: That remains unclear, but Senate leaders have indicated they want to move a package that has “unanimous consent,” so it looks like a scaled back version of the Medicare bill that focuses primarily on the stopping the scheduled cut in Medicare physician payments is most likely to emerge. And since the current stopgap spending bill expires Dec. 21 and lawmakers are eager to head home for the holidays, if a Medicare bill is going to pass it must move quickly.

SCHIP

Question 4: President Bush has vetoed a second bill to reauthorize and expand the State Children’s Health Insurance Program, or SCHIP. Could you give us the details?

Answer: The president vetoed the second bill for the same reasons he rejected the first – he thinks it is too expensive and will move children who already have coverage in the private sector on to government health care coverage. Bush also opposes raising federal cigarette taxes to finance the program, which the SCHIP bill would do.

Question 5: So what’s the next step?

Answer: The extension could be part of a larger omnibus spending bill, or it may be part of Medicare legislation that would stop a scheduled 10 percent in Medicare physician payments as of Jan. 1. While Democrats had hoped to expand the program, the extension will likely keep funding at current levels with some additional money to help states facing financial shortfalls. Republicans would like to extend the current program until March 2009, but Democrats may not agree to that. House Speaker Nancy Pelosi, D-Calif., has scheduled a veto override vote for Jan. 23, just days before President Bush is scheduled to deliver the State of the Union address on Jan. 28.

Question 6: In addition to SCHIP, lawmakers also still have work outstanding on several of the fiscal 2008 appropriations bills. What’s the latest there?

Answer: Democrats are expected to move forward next week on an 11-bill omnibus spending package that would wrap up the fiscal 2008 appropriations process after months of fighting with the White House. Democrats tried unsuccessfully to push through \$23 billion more in discretionary spending than the \$933 billion President Bush has requested. While Democrats had offered to split the difference with Bush and provide \$11 billion more than he requested in discretionary spending, the White House issued a veto threat and many Capitol Hill Republicans supported the president, so Democrats have agreed to essentially accept Bush’s limit on discretionary spending. The current continuing resolution is scheduled to expire Dec. 21.

VETERANS

Question 7: What's happening with the nomination of James Peake to serve as Veterans' Affairs secretary?

Answer: Late last week the Senate confirmed his nomination, with the action coming just a day after the Senate Veterans' Affairs Committee approved Peake's nomination by a vote of 15-0.

Question 8: What are his priorities for the post?

Answer: During his confirmation hearing, Peake said the issue of post-traumatic stress disorder is an important one, as the issue of traumatic brain injury, and that the VA must get the best of science to help veterans cope with these conditions. He also told Senate Veterans' Affairs Committee Chairman Daniel K. Akaka, D-Hawaii, he would investigate an assertion that less than 50 percent of Iraq and Afghanistan veterans who are diagnosed with post-traumatic stress disorder receive VA disability benefits. President Bush has said that he expect Peake to act on recommendations of a presidential commission led by former Sen. Bob Dole R-Kan., and former Health and Human Services Secretary Donna Shalala, that include an overhaul of the disability benefits system and improved treatment of mental health disorders.

Question 9: In addition to confirming Peake for the VA post, the Senate also recently took action on legislation that would expand programs and funding to treat traumatic brain injuries. Could you tell us about that?

Answer: The measure includes provisions to help returning Iraq and Afghanistan veterans receive treatment for brain injuries, and it directs the Centers for Disease Control and Prevention and the National Institutes of Health to study treatment techniques, and it requires the CDC to monitor injury cases. The bill would reauthorize programs created by a 1996 law that allows the CDC to provide state grants for brain injury patients to enter treatment and rehabilitation programs. Separately, the House last week passed legislation that would broaden benefits for veterans who suffered service-related blindness in one eye and later lost vision in the second eye.