



Committee On Finance

Max Baucus, Ranking Member

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BAUCUS: FINAL CONFERENCE REPORT ON SPENDING BILL DOESN'T DESERVE APPROVAL IN HOUSE, SENATE

Senator refused to sign report due to draconian Medicaid provisions, other harsh cuts

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee and a conferee on the budget reconciliation spending bill, today criticized the final conference report on the legislation for its deep cuts to programs such as Medicaid and Temporary Assistance to Needy Families (TANF). Last week the Senate approved, 75-16, a Baucus motion instructing conferees on the bill not to harm Medicaid beneficiaries by raising co-payments and cutting benefits in the program. However, the final report contains a \$960 million increase in co-payments for Medicaid beneficiaries for medical services, and another \$960 million increase in co-payments for prescription drugs received through Medicaid. Baucus did not sign the conference report.

“The final conference report should be particularly unacceptable for the 75 Senators who told conferees not to come back with these higher Medicaid co-pays and benefit cuts,” said Baucus. **“There are right ways to cut health care costs, through greater efficiencies that will save more money over time, and there’s a wrong way to cut costs: on the backs of the Americans who can least afford to pay more for their health care. The conference report goes the wrong way, and ignores the Senate’s strong instruction to protect Medicaid beneficiaries from deep spending cuts.”**

The conference report does contain some positive policy changes, such as preventing an estimated 4.4 percent decrease in Medicare physician payments. However, the \$2 billion in relief for state Medicaid programs inundated by Hurricane Katrina evacuees falls far below that called for in the bipartisan Katrina health and welfare relief bill, S. 1716. Moreover, Medicaid cost-sharing increases and critical changes to TANF, the nation’s welfare program, far outweigh any benefits other provisions may provide. As it reauthorizes TANF for five years, the conference report changes the nature of the program to sharply increase work requirements for beneficiaries and includes severe penalties if recipients and state welfare programs do not comply with the new rules. The bill cuts child support enforcement for the working poor by nearly \$5 billion and only modestly improves collections for families on welfare. It cuts foster care funding by more than \$800 million. The bill would also make poor Americans with disabilities wait longer to receive Supplemental Security Income.

“The net effect of these Medicaid and TANF changes will be higher health care costs and higher social costs for every American,” said Baucus. **“Cutting off poor Americans’ access to health care means they go to emergency rooms later, when they’re sicker. The costs hospitals absorb are passed on to paying customers and insurers, who in turn raise their rates. Eliminating child care and letting child support payments slip erodes the foundation that welfare recipients need to become workers. If this report slashes the safety net, we all lose in the long run.”**

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