



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber for Chairman Grassley, 202/224-6522
Re: Proposed Medicare regulations on doctors, preventive benefits
Da: Tuesday, July 27, 2004

Today, the Centers for Medicare and Medicaid Services (CMS) issued proposed regulations to implement key elements of last year's historic Medicare Modernization Act. The proposed regulations will implement payment rate changes to physicians for 2005, assistance to rural physicians, Medicare payments for Part B drugs and the administration of drugs, along with several related Part B issues. Sen. Chuck Grassley, chairman of the Committee on Finance and a chief architect of the Medicare law, made the following comment on the proposed regulations.

"The physician changes are important. Along with receiving a payment increase for all doctors, Iowa doctors can look forward to significant additional help. Payment rate increases will mean Medicare values their work the same as work done by doctors in New York. The Medicare law also provides an incentive for physicians to practice in rural areas and will help to maintain access to quality care in Iowa.

"Older Americans can look forward to new screening benefits, such as an initial physical for new beneficiaries, screening tests for early detections of cardiovascular disease, tests for those at high risk for diabetes, and coordinated disease management for those with chronic illnesses. These new benefits will lead to earlier detection of serious diseases and longer, healthier lives for all seniors.

"This proposed regulation also changes the payment system for Medicare-covered drugs. Neither the Medicare program nor beneficiaries can afford to overpay for drugs. That's why prices will now be set at the market rate, not an inflated rate. In the current system, beneficiaries sometimes paid more in copayments than the physician or supplier paid to acquire the drug. The new payment system will significantly lower beneficiaries' out-of-pocket expenses for much-needed drugs. This reform will save Medicare billions of dollars, so older Americans can enjoy their health benefits for years to come. In addition to other payment fixes, physicians will see an average 110 percent increase in reimbursements for drug administration services.

"I appreciate CMS' strong efforts to issue these proposed regulations in just under eight months after President Bush signed the Medicare bill into law. These proposed rules are designed to solicit input and comment, and I urge everybody interested to offer their views.

"The Medicare Modernization Act was a bipartisan effort, and I look forward to working in that spirit with CMS and all stakeholders to ensure the program's successful implementation for our nation's Medicare beneficiaries."