



Committee On Finance

Max Baucus, Chairman

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Statement by Senator Max Baucus Medicare Givebacks

As Prepared

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Mr. President, on October 1st Senator Grassley and I introduced a bipartisan Medicare package, the Beneficiary Access to Care and Medicare Equity Act.

Our bill would address a number of Medicare payment changes – reductions primarily – that went into effect at the start of the fiscal year. Cuts to home health services, cuts to nursing homes, cuts to hospitals and cuts that threaten access to care for tens of millions of seniors across America. It would also avert one of the most damaging cuts scheduled to go into effect on January 1st – the reduction in physician payments, which is the second year in a row that such cuts would occur.

In the days since this bill was introduced, the Administration has indicated that addressing these cuts is simply not a priority. Tom Scully, the Administrator at the Center for Medicare and Medicaid Services, made this clear last Tuesday. He said, “it would be fine with the Bush Administration” if Congress does not pass Medicare provider payment legislation this year. “If I had to guess right now, I’d guess there won’t be any giveback bill,” he said.

The White House Office of Management and Budget Director Mitch Daniels also has said he thinks that “the federal government cannot afford to pass a Medicare provider ‘giveback’ bill.” The Chairman of the House Ways and Means Committee has been equally unenthusiastic about addressing these payment cuts.

These folks may not believe this legislation is a priority. But I respectfully disagree. This bill is a priority. It’s a priority for every senior who receives home health care or nursing home care. It’s a priority for Americans of all ages who depend on our teaching hospitals. And above all, it’s a priority for anyone who cares about ensuring that seniors have access to physician services. Last January, America’s doctors saw their Medicare payments cut by 5.4 percent. Already, some doctors are talking about leaving the Medicare program altogether. And if this bill doesn’t pass, physician payments will be cut again this January.

Our bill is a priority for children. Under current law, funds for the Children's Health Insurance Program that have not yet been spent are scheduled to return to the Federal treasury. This money should remain where it belongs - with the states, helping children. If our bill does not pass, America's kids stand to lose as much as \$2.8 billion in health benefits.

This bill is a priority for states as well. We have all heard about the budget problems threatening states in every corner of this nation. About the possibility of deep cuts to important programs and services, like Medicaid. Our bill will send an extra \$5 billion in fiscal relief to the states to forestall these cuts.

This bill is also a priority for rural America. From Montana to Maine, the Medicare payment system continues to discriminate against rural patients and providers. Our bill takes strong steps to address these regional inequities.

Mr. President, this bill is a priority. For seniors and children. For state governments and rural areas. For everyone who cares about preserving access to quality health care in America. I might also add that this is a bipartisan bill. Senator Grassley and I worked closely on this legislation together, and at every point, we sought input from our colleagues on both sides of the aisle. We met with our respective caucuses, and we worked closely with members of the Finance Committee.

When Senator Nickles objected to my unanimous consent request, he suggested that this bill appeared out of nowhere on the Senate floor. Mr. President, that's just not accurate. Senator Nickles also objected to the bill because we lacked official CBO scoring. That issue has been cleared, as we received an official estimate of the bill on Friday. CBO estimates that this bill would cost \$43.8 billion over 10 years, which I believe is the minimum investment we should make to address all of these priorities

So today, as the cuts to Medicare payments go into their sixteenth day, with many more cuts looming on the year-end horizon, I am going to ask again for unanimous consent to pass S. 3018.

This bill has already been cleared on the Democratic side. I hope Senator Grassley and I can work with the Republican leadership, the House, and the Administration to pass this critical bipartisan legislation.

It was once said, "We cannot do everything at once...but we can do something at once." We can act now to ensure access to care for our seniors, our children, and our disabled population. This bill is necessary, timely and should be passed without further delay.