

# Big brouhaha over obscure Medicare board

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In this July 13, 2011 file photo, Republican presidential candidate, Rep. Michele Bachmann, R-Minn. takes part in a news conference on Capitol Hill in Washington. So long death panels. Hello "rationing" board. An independent panel authorized by President Barack Obama's health care law to control excessive Medicare cost increases is drawing heavy fire from Republicans. Nearly every health industry lobbying group is pushing for its repeal, as are some consumer advocates. GOP lawmakers call it a rationing panel, and at least one has suggested seniors will die from its decisions. (AP Photo/Susan Walsh, File)

(AP) -- Remember the debunked death panels? A new Medicare board that Republicans are calling a "rationing panel" could become the next boogeyman in the nation's hyperbolic health care debate.

But don't look for the Independent Payment Advisory Board to start slashing anytime soon. IPAB doesn't even exist yet. Although the new health care law authorized the board to control excessive Medicare cost increases, President Barack Obama can wait until after the 2012 election to set it up.

IPAB is forbidden by law from rationing, but that hasn't stopped critics. Nearly every health industry lobbying group is pushing to repeal it, as are some consumer advocates.

IPAB has the power to force Medicare cuts if costs rise beyond certain levels and Congress fails to act. Medicare's own experts predict IPAB cuts will be needed in 2018 and 2019. If that happens, the law explicitly prohibits IPAB from rationing care, shifting costs to retirees, restricting benefits or raising the Medicare eligibility age.

Yet the uproar is getting louder.

"Senior citizens will lose control over what they actually get in Medicare," GOP presidential candidate Michele Bachmann told conservative bloggers in Minneapolis last month, "because a politically appointed 15-member board that's unelected and unresponsive to the will of the people called IPAB will make the decisions about what care we get and what care we don't."

After their own plan to essentially privatize Medicare for future retirees ran into trouble, Republicans became more vocal about IPAB. At a news conference of the GOP Doctors Caucus, Georgia Rep. Phil Gingrey suggested the board could leave a trail of bodies.

"Under this IPAB ... a bunch of bureaucrats decide whether or not you get care, such as continuing on dialysis or cancer chemotherapy," said Gingrey, an ob-gyn physician. "I'll guarantee you, when you withdraw that, the patient is going to die."

IPAB does represent an unusual delegation of power by Congress to what would be a new executive branch agency. But the administration doesn't seem to be rushing to take advantage.

Just this spring, Obama had proposed beefing up IPAB to squeeze Medicare harder. But as opposition grew, and prominent House liberals and AARP voiced their own objections, the administration played down that idea. In recent testimony before two House committees, Health and Human Services Secretary Kathleen Sebelius said IPAB is just a "backstop," a "failsafe."

"If Congress is actually paying attention to the bottom line of Medicare, IPAB is irrelevant ... and it never triggers in," she said.

Obama hasn't made any moves to set up the new agency, said Sebelius, but has only consulted about possible board candidates. Those members would have to be confirmed by the Senate, a fight the administration may be unwilling to pick when it can't even get Medicare chief Don Berwick approved.

"The more interesting question is whether it will ever get off the runway," said economist Robert Reischauer, one of the public trustees overseeing Medicare finances. "Can they find 15 people willing to serve under the conditions laid out in the legislation? Will the Senate confirm them?"

It wouldn't be the first time cries of rationing forced Democrats to pull back. During the congressional health care debate, Sarah Palin denounced a plan to have Medicare pay for voluntary end-of-life consultations between patients and their doctors. Although the "death panels" accusation was discredited, the idea got dropped.

Rationing is a criticism Americans respond to, said Reischauer. "They are fearful that health reform might include limitations on their ability to access any care they consider worthwhile."

HHS spokeswoman Erin Shields said comments such as Gingrey's

amount to "scare tactics" and IPAB is "absolutely prohibited" from rationing. It could recommend savings that don't involve cuts, she said.

Backers say the board is meant to balance a Congress addicted to spending, unable to turn down lobbyists for hospitals, doctors, drug companies, nursing homes, power wheelchair companies and other businesses that depend on Medicare, and whose executives and employees make political contributions.

"The system now is that people come up here that work the Congress like crazy, lobbyists making millions of dollars," said Sen. Jay Rockefeller, D-W.Va., one of IPAB's biggest supporters. "The Congress often doesn't know how to say no. And the Congress has the practice of never saying no. And costs go up."

Dispassionate experts can do a better job, Rockefeller contends. Some of his colleagues don't like IPAB "because they don't get ... the big connection with the lobbyist," he added. Under the law, Congress can override the board's recommendations with its own savings, as long they add up to the same total.

Critics say their concerns can't be dismissed as easily as that. Because IPAB is an attempt to cap Medicare spending, a stingy approach could stifle promising new medical innovations. And if IPAB leads to steep payment cuts, doctors and other providers will be reluctant to take Medicare patients, limiting access even without explicit rationing.

"It will in effect be used to ration care or limit access," said Sen. John Cornyn, R-Texas, leading the push for repeal.

The early evidence does not seem particularly alarming.

For example, the nonpartisan Congressional Research Service tried last

fall to estimate the impact of projected IPAB cuts and came up with about \$60 per year, per beneficiary from 2015-2019. Annual Medicare spending during that period was estimated to increase from an average of \$13,374 per enrollee in 2015 to \$15,749 in 2019.

Updated cost projections from other government offices differ on whether IPAB cuts will be required in the short run. The Congressional Budget Office says no. But Medicare's Office of the Actuary says yes, in 2018 and 2019. Under the law, it's the actuary who makes the call.

That's keeping critics on edge.

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