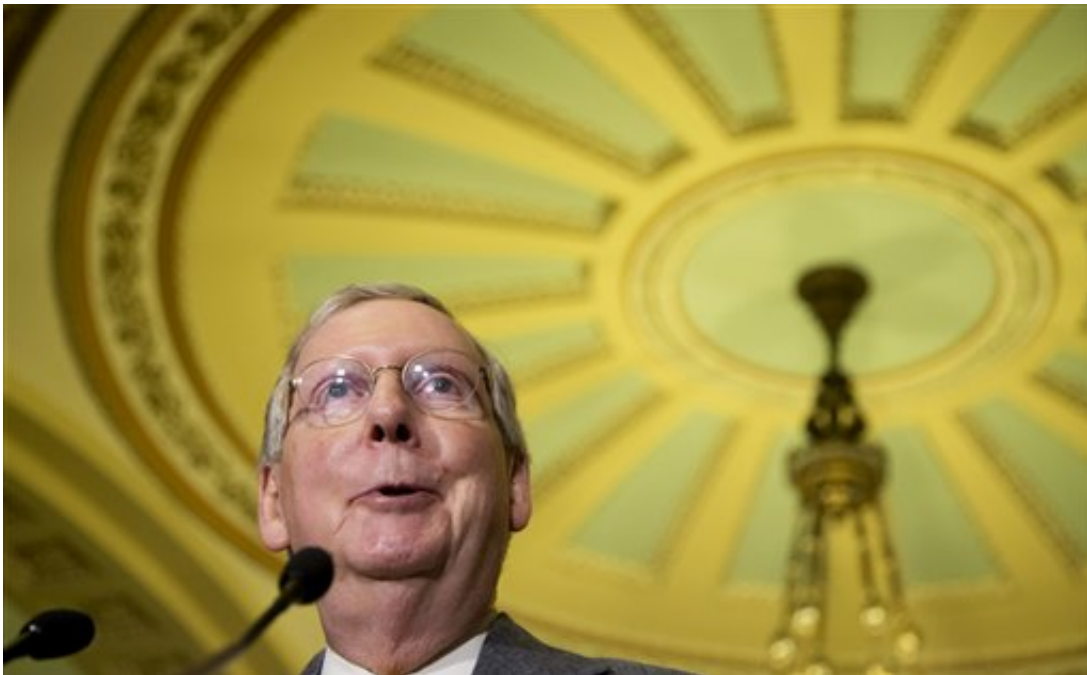


# Finally, Congress OKs bill reshaping Medicare doctors' fees

April 15 2015, by Alan Fram

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Senate Majority Leader Sen. Mitch McConnell of Ky. speaks to reporters on Capitol Hill in Washington, Tuesday, April 14, 2015, following a Senate policy luncheon. (AP Photo/Manuel Balce Ceneta)

Conservatives hated that it's expected to swell federal deficits over the coming decade. Liberals complained that it shortchanged health programs for children and women.

But after years of complaints and failed efforts, huge majorities of

lawmakers from both parties banded together and Congress approved legislation permanently recasting how Medicare reimburses physicians.

Fueling the bill's overwhelming support was backing from potent interest groups including the American Medical Association and AARP, the lobby for senior citizens.

Though AARP tried unsuccessfully to change the bill to ease costs for some Medicare recipients, CEO Jo Ann Jenkins hailed its passage as "momentous" Wednesday and said the measure would help Medicare beneficiaries "rest assured that they'll be able to keep seeing their physicians each year."

The Senate gave final congressional approval late Tuesday to the \$214 billion bipartisan measure, which rewrites how Medicare pays doctors for treating over 50 million elderly people. It also provides extra money for health care programs for children and low-income people, which Democrats coveted, and imposed higher costs on some higher-income Medicare beneficiaries, which Republicans touted as a victory.

Most immediately, the bill prevented a 21 percent cut in those physicians' Medicare fees that would have hit home Wednesday when a federal agency planned to start making payments reflecting that reduction. That would have ensured a flood of complaints from doctors and senior citizens that lawmakers dearly wanted to avoid.

"This bipartisan bill will protect health coverage for millions of Americans, and I will be proud to sign it into law," President Barack Obama said after the Senate vote.

Said Senate Majority Leader Mitch McConnell, R-Ky., "Instead of kicking this important Medicare payment issue down the road again, a strong bipartisan majority in Congress voted to finally solve the problem

and ensure that seniors on Medicare don't lose access to their doctors."

The Senate roll call was 92-8, with all eight "no" votes coming from Republicans. Among presidential hopefuls, Sens. Ted Cruz, R-Texas, and Marco Rubio, R-Fla., voted against the bill, while Rand Paul, R-Ky., an ophthalmologist, and Lindsey Graham, R-S.C., supported it.

By an overwhelming 392-37, the House approved the legislation last month after the compromise was crafted by House Speaker John Boehner, R-Ohio, and Minority Leader Nancy Pelosi, D-Calif. Their joint effort marked an uncharacteristic accord to address a problem that both parties wanted resolved.

For congressional leaders including McConnell, passage provided an opportunity to demonstrate that they and their parties can govern.

"It's another reminder of a new Republican Congress that's back to work," he said.

The bill's chief feature was its annulling of a 1997 law aimed at slowing the growth of Medicare that has repeatedly threatened deep cuts in reimbursements to physicians and led to threats by doctors to stop treating the program's beneficiaries.

Congress has blocked 17 reductions since 2003, an exercise that invites intense lobbying and difficult choices about finding budget savings that both parties detested. Lawmakers had tried before to void the old formula but fallen short, usually over disagreements over how to pay for a new reimbursement system.

The approved bill would create a new payment system with financial incentives for physicians to bill Medicare patients for their overall care, not individual office visits.

Before the measure cleared the Senate, lawmakers banded together and rejected six amendments—three from each party. Approval of any changes could have doomed the bill by unraveling the careful compromise between Boehner and Pelosi, but the votes let senators show their opposition to portions of the bill.

By 58-42, the chamber rejected an effort by conservatives to force Congress to find enough savings to pay for the entire measure without increasing federal red ink. As written, two-thirds of the bill's \$214 billion, 10-year price tag was financed by making huge federal deficits larger still. McConnell and No. 2 GOP leader John Cornyn were among 12 Republicans to oppose the amendment by Sen. Mike Lee, R-Utah.

Senators rejected an amendment by Sen. Patty Murray, D-Wash., beefing up programs for women's health. Also defeated was a proposal by Sen. Michael Bennet, D-Colo., providing four years of extra money for the Children's Health Insurance Program instead of the measure's two years.

Though \$141 billion of the bill's costs is borne by additional federal red ink, \$35 billion comes from higher expenses for Medicare beneficiaries.

Most of that would come from raising the medical and prescription drug premiums paid by some upper-income recipients starting in 2018. Though the affected beneficiaries already pay higher premiums than lower-earning people, Congress seldom increases costs on seniors, fearing retribution come the next Election Day from older voters.

The bill would raise another \$37 billion by cutting Medicare reimbursements to hospitals and other providers.

The 21 percent cut in doctors' fees technically took effect April 1. Citing federal law, the Centers for Medicare and Medicaid Services stopped

processing those claims two weeks ago—in effect giving lawmakers time to complete the legislation. The agency processes around 4 million Medicare payments for doctors daily.

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Citation: Finally, Congress OKs bill reshaping Medicare doctors' fees (2015, April 15) retrieved 6 May 2024 from

<https://medicalxpress.com/news/2015-04-congress-oks-bipartisan-bill-doctors.html>

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