

Bush Proposes 2009 Cuts to Medicare, Medicaid

BY MARY ELLEN SCHNEIDER
New York Bureau

In the final budget proposal of his presidency, President Bush is proposing substantial cuts to hospitals, skilled nursing facilities, and graduate medical education.

Leaders in the Democrat-controlled Congress instantly declared the proposal dead on arrival.

Under the plan, the Bush administration has put forth legislative and administrative proposals that would cut \$12.8 billion from the Medicare program in fiscal year 2009 and about \$183 billion over the next 5 years, largely from hospital and other provider payments. The idea is to slow down the growth rate of the program from 7.2% to 5% over 5 years. But critics say the cuts would harm hospitals that care for low-income patients and train physicians.

The FY 2009 budget proposal calls for freezing payments to inpatient hospitals, long-term care hospitals, skilled nursing facilities, hospices, outpatient hospitals, and ambulance services from 2009 through 2011. Payments would then drop 0.65% annually under the proposal.

The proposal also outlines a payment freeze for inpatient rehabilitation facilities and ambulatory surgical centers in 2010 and 2011, followed by annual cuts. And home health agencies would also see a 0% update from 2009 through 2013 followed by annual payment cuts.

The proposal would reduce indirect medical education add-on payments from 5.5% to 2.2% over the next 3 years, and would eliminate the duplicate hospital indirect medical education payment for

Medicare Advantage beneficiaries.

Hospitals would also face additional cuts under the plan. For example, the proposed budget would reduce hospital capital payments by 5% in 2009, and hospital disproportionate share payments would drop 30% over the next 2 years.

The FY 2009 budget plan also includes proposed legislative and administrative changes aimed at cutting nearly \$18 billion from Medicaid over the next 5 years.

The administration's budget would reauthorize the State Children's Health Insurance Program (SCHIP) through 2013. The plan calls for a \$19.7 billion increase to the program over 5 years, including \$450 million in outreach grants to states and other organizations to help enroll uninsured children in the program.

The budget proposal does not address the 10.6% physician pay cut scheduled for July.

The American College of Cardiology said in a statement that the administration's budget "falls short" by not including a proposal to fix the Medicare physician payment formula. "Physicians are willing to do their part, but quality cannot be achieved under a zero-sum scenario. Continued deep payment cuts make it impossible for physicians to continue to invest in a health care infrastructure that facilitates data collection and quality improvement while ensuring that patients have access to high quality care."

In total, the administration is requesting \$711.2 billion for the Centers for Medicare and Medicaid Services to cover mandatory and discretionary outlays for the Medicare, Medicaid, and SCHIP programs. The request is a \$32.7 billion increase over the FY 2008 funding level.

Federal research agencies are also facing funding cuts or freezes under the proposal.

The administration is proposing no increase for the National Institutes of Health, keeping the agency's budget at about \$29.5 billion. Health advocates say the failure to expand NIH funding will hurt research efforts in several critical areas. For example, the National Institute of Diabetes and Digestive and Kidney Diseases would receive an increase under the administration's proposal, but the \$2.6 million bump amounts to a 0.15% increase over FY 2008.

The American Diabetes Association is urging Congress to disregard the president's proposal and provide \$112.5 million in additional funding, a 6.6% increase.

"We cannot afford not to invest in diabetes research, treatment, and prevention—the consequences for our health care system and our society will be too se-

vere," Dr. John B. Buse, president of medicine and science for the American Diabetes Association, said in a statement. "The [association] calls on Congress to align their priorities and provide funds to remedy this growing health crisis."

The administration's budget proposal also calls for \$8.8 billion in funding for the Centers for Disease Control and Prevention, a \$412 million drop from FY 2008. The Agency for Healthcare Research and Quality would also face a cut under the proposal. The president is calling for \$326 million in funding for the agency, a \$9 million decrease from FY 2008.

The Food and Drug Administration would receive a \$130 million increase over FY 2008, bringing its total funding to \$2.4 billion in FY 2009. Its budget proposal includes \$389.5 million for drug safety activities, an increase of about \$36 million. ■

INDEX OF ADVERTISERS

AstraZeneca LP.		Merck & Co., Inc.	
Crestor	12a-12b	Corporate	20-21
		Janumet	44a-44b, 45
Calpis Co., Ltd.		Novartis Pharmaceuticals Corporation	
AmealPeptide	42	Exforge	51-52
Discovery Health		Novo Nordisk Inc.	
CME	6	Levemir	39-40
FFF Enterprises Inc.		Nutramax Laboratories, Inc.	
MyFluVaccine	5	CosaminDS	19
Forest Laboratories, Inc.		Ortho-McNeil Neurologics, Inc.	
Namenda	8a-8b	Topamax	22a-22d
Bystolic	25-32	Pfizer Inc.	
Lexapro	40a-40b, 41	Lyrca	34-38
King Pharmaceuticals, Inc.		Sanofi Pasteur Inc.	
Skelaxin	47-48	ADACEL	7-8
Eli Lilly and Company		UCB, Inc.	
Cymbalta	15-18	Tussionex	11-12
Massachusetts General Hospital			
Corporate	43		

CLASSIFIEDS

Also Available at www.familypracticenews.com

CONTINUING EDUCATION

No Billing or Receivables High Demand CASH Procedures

- Stop going to SALES "seminars"
- START learning one-one from Aesthetic Medicine Professionals
- No Franchise Fees Involved

Free Introductory Preceptorship Learn:

- Laser Hair and Spider Vein Removal Treatments
- Laser Collagen Remodeling
- Laser Skin Resurfacing
- BOTOX
- Microdermabrasion
- Sunless Tanning
- Business and Marketing Training



Tom Sult, MD



Robin Sult, RN

Visit www.aesthticclinic.net
AESTHETICS, INC.
888-550-4113

PRODUCTS

EKG Machines for LESS!!

Medical Device Depot sells the best name brands at the lowest prices!

Our machines come with a long-term warranty and in-office training. **See before you buy!!**
Choose from the following special deals:

AT-1i: Multi-channel EKG w/interpretation **\$1,398**

AT-2i: Multi-channel EKG w/interpretation & full page printout **\$1,856**

AT-2 light: Multi-channel EKG w/interpretation, full page printout & alphanumeric keyboard **\$2,275**

AT-2 plus: Multi-channel EKG w/interpretation, full page printout, alphanumeric keyboard & EKG waveform display **\$2,677**
Add spirometry for **\$1,000**



Refurbished Ultrasounds—Pulse Oximeters—Spirometers
PC Based EKGs—Stress Test Systems—PC Based Holter Systems
Ambulatory BP Monitors—Vital Signs Monitors—Dopplers

Medical Device Depot Inc.

Call for on-site demonstration or more info!
Toll Free 877-646-3300

www.medicaldevicedepot.com

Help Fight Leukemia Donate Blood and Platelets

For information on donating blood,
Call 1-800-GIVE-LIFE
Or contact your local Red Cross

GIVE
AMERICAN
CANCER
SOCIETY