SCHIP Funding, Other Bills Being Considered

BY JOEL B. FINKELSTEIN

Contributing Writer

WASHINGTON — The 110th Congress is fertile ground for health care legislation, from expanding coverage to fixing physician pay, according to Capitol Hill insiders and observers speaking at a conference sponsored by AcademyHealth.

"You can feel it in the air, not just in Washington but all across the country. The season is changing," said Sen. Max Baucus (D-Mont.), chairman of the Senate Finance Committee. "The season is for real debate on health-care reform. And it is long overdue."

In the last election, Democrats won new seats in the House and Senate without losing any of their own by pointing to Republicans' lack of accomplishment, said Norman J. Ornstein, Ph.D., a resident scholar at the American Enterprise Institute, a conservative think tank in Washington.

"Having run vigorously against a do-nothing Congress, Democrats ... now have to show that they are the do-something Congress," Dr. Ornstein said.

There is also a sense that America's employers are more than ever ready to support health care reform, said Sen. Ron Wyden (D-Ore.). "In 1994, the business community said, 'We can't afford health care reform.' In 2007, the business community is saying, 'We can't afford not to fix American health care,' " he said.

Democrats' first focus has been and still is on covering the uninsured, Sen. Wyden said. "You cannot fix American health care unless you get everybody covered," he said, drawing a round of applause. "And the reason that's so important is not only is it morally the right thing to do, which it clearly is, but if you don't get everybody covered, what we all know is the costs of people who don't have coverage get passed on to people who do."

However, a Democratic congressional staffer speaking at the briefing pointed out that the tight federal budget means compromises and choices will have to be made.

"What we have done is target our efforts on children. And trying to make sure that we improve on the coverage that is there today and certainly try to find those children who would qualify for the public programs that we have and who yet aren't enrolled," she said.

Approximately 25% of children in the United States have health coverage through either Medicaid or the State Children's Health Insurance Program (SCHIP). However, 9 million children currently have no health insurance, and two-thirds of those are actually eligible for public coverage. States have been increasing their outreach efforts, but have been stymied by shortfalls in federal matching funds for SCHIP. This year, 14 states are expected to run out of federal funds by May.

As Congress considers SCHIP reauthorization this year—its mandate expires Sept. 30—some Democrats have suggested it's time to make the program an entitlement. (SCHIP currently is funded on a pay-as-you-go basis, meaning that any increased funding must be offset by a cut somewhere else in the federal budget.)

Merged Obesity Groups Tackle Policy Issues

SAN DIEGO — The recent merger of two obesity associations to create the Obesity Society is expected to consolidate efforts to influence government programs and funding for the obesity epidemic, Richard M. Downey, J.D., said at a symposium on obesity sponsored by the American Society of Bariatric Physicians.

Mr. Downey is a staff member for the North American Association for the Study of Obesity, which has been renamed the Obesity Society. In December 2006, the organization completed a merger with the American Obesity Association, where he previously served as executive director. The new Obesity Society will push for creation of a National Institute of Obesity Research, he said.

The Obesity Society is likely to demand better evaluation of obesity prevention programs, Mr. Downey said. The lack of coordination and evaluation of programs to prevent childhood obesity makes it difficult to learn from experience and replicate successes, a recent Institute of Medicine report suggested.

—Sherry Boschert

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With reauthorization also comes the chance to make other changes to the program. Republicans have suggested that states may need even more flexibility in how they spend their SCHIP funds to make them go as far as possible. "It has helped a lot of families. But like any program now, we have the opportunity to take a look at it, see what's working, what's not, what needs to be improved," a Republican congressional staffer said at the meeting.

SGR Fix

Both Democrats and Republicans have tried to find a solution to decreasing physician pay under the sustainable growth rate formula. But no one has yet come up with a remedy that fits into the current budget outlook.

"In order to get the physicians back to zero, we're talking costs of probably approximately $22 billion. And that isn't addressing the longer-term problem that Medicare's current payment formula is going to call for cuts for an additional 5 years beyond that," the Republican congressional staffer said.

Recent proposals to fix the SGR have ranged in cost from $4 billion in the short-term to $250 billion in the long term.

Refining Medicare Part D

Democrats speaking at the conference said they hope to make refinements to the Medicare Part D drug benefit, such as improvements in the low-income subsidies and a reassessment of the higher payments that Medicare Advantage plans currently receive. Several proposals have already been introduced to allow the government to negotiate drug prices.

Republicans are expected to oppose significant changes to the program.

"From our perspective this program has been wildly successful beyond any estimation that we could have made back in 2003 when we passed the Medicare Modernization Act," the Republican congressional staffer said.

Short Window for Action

While action on these and other health care issues seem likely this year, there is a short window of opportunity to complete them before election politics come into play, Dr. Ornstein said.

"The conventional wisdom is that in a presidential election year where there's an open contest in the final 2 years of a two-term president, you have about an 8-month window to move things along," he said.

That seems likely to hold true this year given that, at last count, at least 26 members of Congress have announced or are considering announcing a run for the White House, Dr. Ornstein said. ■

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