



CMA Weekly Alert – October 18, 2007

## WINDOW OF OPPORTUNITY FOR REAL MEDICARE MODERNIZATION IS NOT YET FULLY CLOSED

Health care advocates experienced a moment of victory in August after the House of Representatives passed the comprehensive CHAMP Act. As the Center for Medicare Advocacy reported, CHAMP redirected federal money from private insurance companies to promote access to health care for children, people with disabilities and older people.

Optimism as a result of the summer victory was diminished in the fall, however, when the Senate failed to include Medicare provisions in its version of the bill to reauthorize the State Children's Health Insurance Program (SCHIP) and when President Bush vetoed the SCHIP legislation on October 3.

Congress has indicated that it will continue to fight for SCHIP expansion to protect the 9 million uninsured children in America. Many members of the Senate also have expressed their determination to pass a Medicare bill that can be sent to the House of Representatives for conference and then on to the president for his signature.

In fact, since January 2007 numerous bills have been introduced in the Senate that would make significant improvements for beneficiaries in the Medicare program. These bills could, and should, be part of Medicare legislation to be considered by the Senate before the end of 2007. Some of these bills would:

- **Protect and preserve the integrity of the Medicare program:** In 2003 Congress passed artificial cost containment rules for Medicare intended more to do away with Medicare than to address future issues of Medicare financing. One of these rules creates an arbitrary trigger to examine Medicare payment, benefits and cost-sharing when 45% of Medicare financing is expected to come from general revenues in a set future date – even though Medicare Part B and Part D were designed to be financed primarily by general revenues. Another rule, the comparative cost demonstration, which is to take effect in 2010, could result in a large increase in the Part B premium for beneficiaries who live in communities affected by the demonstration. The *Preserving Medicare for All Act* (S. 137), introduced by Senator Cardin (D. MD), protects the integrity of Medicare by repealing these artificial rules.
- **Reduce Medicare cost-sharing for mental health services:** Beneficiaries now pay 50% coinsurance for most outpatient mental health services instead of the 20% coinsurance paid for most other outpatient services. The *Mental Health Co-payment Equity Act of 2007* (S. 1715), introduced by Senator Snowe (R. Maine) and Senator Kerry (D. MA), would gradually reduce the cost-sharing so that there is parity in cost-sharing for mental health services.
- **Enhance access to preventive care:** The *Medicare Preventive Services Act of 2007* (S. 2115), introduced by Senator Cardin (D. MD), would eliminate all cost-sharing for preventive benefits, allow the Secretary of health and Human Services to authorize Medicare coverage for new preventive services that have been proven efficacious without seeking an amendment to the Medicare statute, and would extend the “Welcome to Medicare” physical to the first year of Part B enrollment.
- **Improve access to programs for beneficiaries with low or limited incomes:** Senator Bingaman (D. NM) and Senator Smith (R. OR) have introduced a number of bills (S. 1102, 1103, 1107, 1108, 2101)

that would remove some of the barriers to access to programs that provide assistance with Medicare Part B premiums and Part D premiums and/or cost-sharing. Among other provisions, these bills would:

- Make permanent and expand the income level for the Qualified Individual (QI) program, which pays Part B premiums;
  - Increase the asset limit for the Part D low-income subsidy (LIS) and for all Medicare Savings Programs (MSPs);
  - eliminate permanently the Part D late enrollment penalty for beneficiaries who qualify for LIS;
  - Allow drug costs paid for by AIDS Drug Assistance Programs (ADAP) and some other programs to count towards the Part D out-of-pocket limit so that more people could qualify for reduced cost sharing for catastrophic expenses;
  - Eliminate Part D cost-sharing for individuals with Medicare and full Medicaid who are receiving care through home and community-based waiver programs;
  - Increase funding to State Health Insurance Assistance Programs (SHIPS).
- **Improve Part D prescription drug coverage:** Several bills were introduced to address problems with Medicare Part D. For example, the *Medicare Access to Critical Medications Act of 2007* (S. 1887), introduced by Senator Smith (R. OR) and Senator Kerry (D. MA), would codify current policy that requires plans to cover substantially all drugs in six protected classes of drugs. The *Preserving Medicare for All Act of 2007* (S. 137) would, among other provisions, create a national drug plan that is part of Medicare, allow Part D plans to cover benzodiazepines, a class of drugs commonly used to treat mental illness, and allow Medicare to negotiate lower prices for drugs.
  - **Increase consumer protections for beneficiaries enrolled in prescription drug plans and in Medicare Advantage plans:** Senator Kohl (D. WI), Senator Dorgan (D.ND), and Senator Wyden (D.OR) introduced the *Accountability and Transparency in Medicare Marketing Act of 2007* (S. 1883) to provide for standardized marketing requirements for prescription drug plans and Medicare Advantage plans.

The Senate has the opportunity to continue the work it has done already through numerous hearings and through the introduction of these and other bills. The Senate can and should enact meaningful Medicare reforms that enhance the program and that protect most the people for whom the program was designed – the older people and people with disabilities who rely on Medicare.

#### **CORRECTION NOTICE:**

In our 9/27/07 Alert, some calculations in the Part D Cost-sharing chart were done using incorrect numbers. A corrected chart is available at [www.medicareadvocacy.org/PartD\\_07\\_09.27.PotpourriOfInfo.htm](http://www.medicareadvocacy.org/PartD_07_09.27.PotpourriOfInfo.htm).

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