

asap! update

GRASSROOTS ACTION FOR HEALTH & LONG TERM CARE

May-June 2001, Vol. 17, No. 2

Bush Administration Raids Medicare Funds

Budget and Tax Cuts Top Priority in Congress

The budget resolution, Congress's blueprint for tax cuts and spending, dominated the early days of the 107th Congress as both chambers grappled with the Bush Administration's proposed budget, including its \$1.6 trillion tax cut. The wrangling on the budget and the tax cut has touched on two important health issues—Medicare and expanded coverage for the uninsured, which are discussed below. The budget resolution passed the House and Senate, which enabled legislators to vote on bills to implement its provisions. The first of these bills included a \$1.35 trillion tax cut that has passed both houses. Members of the conference committee are debating the final version of the tax cut as we go to press.

\$28 Billion to Expand Health Coverage to the Uninsured

The uninsured won a victory when an amendment to the budget resolution was adopted in the Senate to increase spending for the uninsured by \$28 billion over the next three years. The funds will allow Congress to pass legislation to give low-wage working families health care coverage through public programs, like Medicaid or CHIP-type expansions. Families USA worked closely with Senators Ron Wyden (D-OR) and Gordon Smith (R-OR) to push this amendment. Senators Edward Kennedy (D-MA), Debbie Stabenow (D-MI), Max Baucus (D-MT), Olympia Snowe (R-ME), and

Rick Santorum (R-PA) also co-sponsored the amendment. Once the measure left the Senate, a House and Senate conference committee considered the amendment, ultimately including the \$28 billion in the final budget resolution.

These efforts to expand coverage to the uninsured were aided by an ad campaign in the Washington, DC area supported by the Robert Wood Johnson Foundation and endorsed by ten national groups, many of which lobbied Congress in support of this legislation. (See one of the ads on page 2.)

Even though the final budget resolution included the \$28 billion, a tough road still lies ahead. According to the resolution, the \$28 billion is provided over 10 years but can be spent in three years. The final language of the resolution also allows for the funds to be spent in a variety of ways, ranging from individual tax credits to public program expansions.

That the funds made it into the final budget resolution is a victory in itself. However it underscores the fact that this is only the first step down a difficult road to expanding coverage for the millions of working families without health coverage.

Tax Cuts Threaten Medicare

Despite candidate Bush's pledge to spend Medicare dollars exclusively on Medicare, the Bush administration's original budget

proposal would divert \$526 billion from the Medicare trust fund to support the proposed tax cuts, bankrupting the fund 18 years earlier than under current law, according to a Families USA analysis. The Senate scaled back the administration's tax cut from \$1.6 trillion to \$1.35 trillion, but this reduction is still not enough to protect Medicare. The Senate budget proposes the creation of a \$300 billion prescription drug benefit, but the new benefit would be funded from the Medicare trust fund rather than from the national budget surplus.

Rep. Allen Introduces Prescription Drug Bill

On April 4, 2001, Rep. Tom Allen (D-ME) introduced a bill that will allow Medicare beneficiaries to purchase prescription drugs at lower prices. The Prescription Drug Fairness for Seniors Act, H.R. 1400, would protect senior citizens from drug price discrimination and make prescription drugs available to Medicare beneficiaries at substantially reduced rates. The bill allows pharmacies that serve Medicare beneficiaries to purchase drugs at the average price that the drugs are sold in other developed nations, a measure that is estimated to reduce prices by 40 percent for brand-name drugs. The bill is supported by Families USA and a wide range of other organizations.

Patients' Rights Get Boost by Jeffords Defection

The change in the Senate majority puts patients' rights legislation at the top of the summer's legislative agenda. S. 283, the Bipartisan Patient Protection Act of 2001, will be the first bill debated on the Senate floor after pending legislation is completed in June, according to the new Senate Majority Leader, Tom Daschle (D-SD).

Introduced by Senators John McCain (R-AZ), John Edwards (D-NC), and Edward Kennedy (D-MA), the bill is supported by a wide range of consumer groups, including Families USA, and is very much like the Norwood-Dingell bill that passed the House in October of 1999. The Republican leadership and the White House oppose the bill, but proponents of the legislation think that the majority of senators will support it.

At least one alternative to S. 283 will be offered on the Senate floor by Senators John Breaux (D-LA), Bill Frist (R-TN), and Jim Jeffords (I-VT), but the coalition of national consumer organizations finds this bill unacceptable. Among other weaknesses, this bill has an extremely narrow liability provision and allows states to opt out of the federal law by saying that their state law is "consistent" with the federal law.

The House of Representatives continues to wait for the Senate to act while there still appears to be a majority for a strong patients' bill of rights.

What you can do: Contact your Senators and ask them to support S. 283, the Bipartisan Patient Protection Act of 2001 (often called the "McCain-Edwards bill").

Not on our list(serv)?

Go to "Take Action" on the Families USA Web site (www.familiesusa.org) and subscribe today.

Typical Americans

They work hard. Pay their taxes.



[And they're uninsured.]

Today, 8 out of 10 uninsured Americans are in working families. Most can't afford health coverage. That's why—despite record economic growth—there are nearly 43 million uninsured Americans, 10 million more than a decade ago.

It's taking its toll. In fact, the uninsured are three times more likely to end up in the hospital if they're diabetic, and are much more likely to die if they have breast cancer. And huge medical bills are a top reason families are forced into bankruptcy.

America can do better. That's why major organizations from different sectors of society and from across the policy spectrum think we must get more people covered. We don't see eye-to-eye on many issues, but we all agree that increasing access to affordable, quality health coverage must be a national priority.

Let's all work together to make it happen.

U.S. Chamber of Commerce AFL-CIO Service Employees International Union The Business Roundtable
 American Medical Association American Nurses Association
 Health Insurance Association of America Families USA
 American Hospital Association Catholic Health Association of the United States
 The Robert Wood Johnson Foundation

New Reports from Families USA

Families USA has released several new reports and fact sheets in the past few weeks.

Bush Budget Would Speed Medicare Insolvency by 15 Years

This special report details how President Bush's proposed budget would hasten the insolvency of the Medicare program 15 years earlier than last predicted. (This changed to 18 years after actuaries issued their report in late March.) The report shows how the President's pro-

posed budget would divert billions of dollars from the Medicare Trust Fund over the next 10 years. These funds would become part of the government's general fund, meaning they will likely be spent on items other than the Medicare program. You can download this report from the Families USA Web site (www.familiesusa.org/pdf/medicare_specialreport.pdf). There is also a fact sheet version at www.familiesusa.org/pdftaxcuts.pdf.

Too Few Options: The Insurance Status of Widowed or Divorced Older Women

This report, prepared for Community Voices by Families USA, found that while the majority of widowed or divorced older women have health insurance, those who are uninsured may have difficulty finding quality, affordable health care coverage. The report examined the minimum monthly premiums for health insurance policies in 13 communities for women aged 55 to 64 and outlines several recommendations to improve the availability and affordability of coverage for older, widowed or divorced women, including subsidizing COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) coverage, improving regulation of the private in-

As we go to print.....

It's too early for us to gauge the full effects of the Democrats taking over the majority role in the Senate due to Sen. Jim Jeffords leaving the Republican fold. Clearly, this gives the Democrats more control over the Senate's agenda, priorities, and processes. It also gives Democrats the chair of the committees and, most likely, a majority of the membership of the committees and more staff.

This bodes well for Democratic priorities to take center stage, including such issues as the Patients' Bill of Rights, prescription drugs for Medicare beneficiaries, and action to expand health coverage for the uninsured.

We'll use our email Listserv to keep you informed about new developments. (You can join the Listserv from our Web site (www.familiesusa.org). Go to "Take Action.")

surance market, expanding Medicaid coverage, and establishing a Medicare buy-in option for people aged 55 to 64. You can read the full report on the Families USA Web site (www.familiesusa.org/pdf/TooFewOptions.pdf). You can order hard copies of the report from Community Voices by calling 1-800-819-9997 and requesting item # 499.

Medicaid Managed Care Regulations Issued: What Do They Do? Will They Be Implemented?

This field report summarizes the Medicaid managed care regulations released by the Health Care Financing Administration (HCFA) earlier this year. Scheduled to go into effect on April 19, 2001, the Bush Administration has put the regulations on hold, delaying implementation until June 18, 2001. The regulations would implement provisions of the Balanced Budget Act of 1997, which allowed states to enroll Medicaid beneficiaries in managed care without their consent and without receiving a HCFA waiver. In exchange, Congress included a number of protections for beneficiaries, such as restrictions on marketing, a requirement that enrollees have a choice of at least two plans, a "prudent layperson" standard for emergency care, assurances of access to specialists, quality of care and a right to a review. You can read the full field report at www.familiesusa.org/pdf/medman care.pdf.

Key Facts About the Uninsured

This fact sheet looks at the uninsured population, combating myths about who the uninsured are. It also talks about the importance of health care insurance. You can download this fact sheet from our Web site (www.familiesusa.org/pdf/uninsuredkeyfacts.pdf).



Families USA has produced a new fact sheet that looks at the disparities in health care coverage the African American community continues to face despite the booming economy and overall increases in coverage. *Increasing Health Coverage Within African American Communities: What's the problem and what can we do about it?* summarizes the problem of uninsurance among African Americans and offers solutions to increase health coverage within these communities. You can download the fact sheet from our Web site (www.familiesusa.org/pdf/AAfact.pdf).

In the coming weeks, we'll be releasing similar facts sheets for the Hispanic, Asian Pacific Islander, and immigrant communities. For more information, contact Kimberly Perry at kperry@familiesusa.org or at (202) 628-3030.

Presumptive Eligibility for Children in Medicaid and the State Children's Health Insurance Program (CHIP)

This fact sheet explains the importance of presumptive eligibility when enrolling children in public programs and looks at how presumptive eligibility works. This fact sheet is available on our Web site at www.familiesusa.org/pdf/pefactsheet.pdf.

For hard copies of these reports (except the *Too Few Options* report) write to us at Publications, Families USA, 1334 G Street, NW, Washington, DC 20005. Be sure to include the name of the report you want.

Briefly Noted

United Seniors Health Council has released *Medicare Health Plan Choices: 2001 Consumer Update* to help consumers better understand their options in today's changing insurance market. The 12-page summary explains Medicare benefits and offers advice on how to choose a Medigap insurance policy and how to select the Medicare HMO that's best for you. To order the report, send a check for \$4 to USHC, 409 Third Street, SW, Washington, DC 20024.

Family Voices at the Federation for Children with Special Needs recently released the *Bright Futures Family Pocket Guide: Raising Healthy Infants, Children, and Adolescents*. The 100-page guide highlights important child health topics. The guide is divided into four age groups or stages of development, which are further divided into two main sections, "Thinking Ahead" and "Your Child At." The guide tells parents what to expect at their children's doctors' visits and lists health care resources and Web sites for families. For copies of the pocket guide, contact the National Maternal and Child Health Clearinghouse at (703) 356-1964 or visit the Maternal and Child Health Bureau Web site (www.mchb.hrsa.gov/html/links.html).

National Town Meeting on Expanding Health Coverage

On March 26, 2001, Families USA, the American Hospital Association, the Catholic Health Association, the Health Insurance Association of America, and other national groups held a national town meeting on expanding health coverage to the uninsured. Supported by the Robert Wood Johnson Foundation, the program was broadcast via satellite to nearly 200 downlink sites across the country.

Susan Dentzer of *The Newshour with Jim Lehrer* moderated the teleconference, which also featured Senator Conrad Burns (D-MT) and Rep. Nancy Johnson (R-CT) as well as health providers, advocates, and several uninsured consumers. The national broadcast was followed by local discussions at downlink sites across the nation, where a diverse audience of stakeholders shared their views on expanding coverage to the uninsured.

You can view a webcast of the teleconference at www.kaisernet.org/health_cast/cast_index.cfm?display=detail&hc=164.



Update is published by *asap!*, a project of Families USA:

Ronald F. Pollack, *Executive Director*

Jeff Kirsch, *Deputy Director*

Judy Waxman, *Deputy Director*

Joan Alker, *Assistant Director of Government Affairs*

Kimberly Perry, *Field Coordinator*

Zina Cary, *Field Coordinator*

asap! staff:

Peggy Denker, *Director*

Regina Wise, *Membership Coordinator*

Shelly Pondexter, *Administrative Assistant*

Update Editor: Danielle Neal

Contributor: Judy Waxman

Update Layout: Regina Wise

Readers are encouraged to reprint *asap!* materials, giving credit as follows: "Reprinted from *asap!*, Families USA, 1334 G Street, NW, Washington, DC 20005-3169." Please send us a copy.

© *asap!*, Families USA, 2001

To receive *asap!* publications, write to us in care of Families USA, at the address below.



1334 G Street, N.W.
Washington, D.C. 20005

Telephone: (202) 628-3030

Fax: (202) 347-2417

e-mail: asap@familiesusa.org

Web site: www.familiesusa.org