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## Agreement on Debt Talks: Health Groups Dislike Proposals

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WASHINGTON — Budget negotiators have not found a way to avert a government default on federal debt obligations, but with their ideas to cut Medicare and Medicaid they have managed to provoke opposition from almost every major group that represents beneficiaries and health care providers.

The latest provocation was a list of proposed savings presented at the White House this week by the House majority leader, Representative Eric Cantor, Republican of Virginia.

Mr. Cantor said Tuesday that the ideas had all been seriously discussed, with varying levels of Democratic support, in seven weeks of negotiations led by Vice President Joseph R. Biden Jr.

But with House Republicans adamantly opposed to new taxes, Democrats said they would not accept cuts in Medicare that reduced benefits.

Mr. Cantor's list included 27 proposals that he said would save up to \$353 billion over 10 years, in the context of a budget deal that could save anywhere from \$2 trillion to \$4 trillion over the same period.

Items on the list touched off howls of protest from lobbyists and Democratic lawmakers who saw details for the first time on Tuesday.

Some of the proposals would hit Medicare patients in the pocketbook, charging co-payments for home health care and clinical laboratory services like blood tests. One proposal would increase premiums and co-payments for beneficiaries with relatively high incomes. Another would require millions of recipients to pay more of the costs now covered by private insurance policies that supplement Medicare.

The Congressional Budget Office says the proposal could save Medicare up to \$53 billion over 10 years, mainly by curbing the use of health care by people with supplemental coverage known as Medigap policies. Studies show that such policyholders use about 25 percent more services than Medicare patients who have no supplemental coverage, the budget office said.

But Medigap policies are popular with older Americans, who like the financial security they get from the extra insurance.

“The Medigap proposal would shift costs onto Medicare beneficiaries,” said Howard J. Bedlin, vice president of the National Council on Aging, a service and advocacy group. “Our fear is that many would go without the care they need and end up in a hospital emergency room, which costs Medicare more than proper treatment would have cost.”

Likewise, Mr. Bedlin said, the proposed co-payments for home health care would “significantly increase out-of-pocket costs for many low-income widows with multiple chronic conditions.”

When such co-payments were seriously considered in the past, Democrats wheeled some of the widows into the Capitol to denounce the idea.

Mr. Cantor’s list includes \$100 billion in savings from Medicaid over 10 years — the same amount sought in a White House proposal that has caused consternation among some officials at the Department of Health and Human Services.

Laboratories were surprised to learn Tuesday of the proposal to start charging Medicare beneficiaries a \$1 co-payment for each lab test. Lab tests and home health visits are now exempt from such cost-sharing.

Alan B. Mertz, president of the American Clinical Laboratory Association, a trade group, said that collecting the co-payments from beneficiaries would be “a huge administrative hassle.”

The average lab test costs \$12 or \$13, Mr. Mertz said, and labs typically “do not have a face-to-face relationship with patients.” In many cases, he said, “we will not be able to collect the money, or the cost of collecting it will be more than the amount of the co-payment.”

Representative Paul D. Ryan, Republican of Wisconsin and chairman of the House Budget Committee, said the din of criticism was disappointing.

“These are not big Medicare savers,” Mr. Ryan said in an interview. “They do not save a lot of money in the whole scheme of things. If we come to a political paralysis over a few hundred billion dollars, the credit markets will really start turning on us.”

The Obama administration said Tuesday that instead of cutting benefits or increasing co-payments, Congress should increase the power of an independent agency, created by the new health care law, to make sweeping cuts in the growth of Medicare spending.

At a hearing of the House Budget Committee, Kathleen Sebelius, the secretary of health and human services, said the new agency, the Independent Payment Advisory Board, would be a backstop to ensure a sharp reduction in the growth of Medicare spending per beneficiary.

Mr. Ryan said the 15-member board was “just a mechanism to take power out of the hands of politicians so they can absolve themselves of responsibility for the inevitable price controlling and rationing that is to come in Medicare.” Such rationing, he said, “is not necessary if you do fundamental Medicare reform.”