

# News Currents

## In Brief

### Obama Supports Giving MedPAC More Power

President Barack Obama told Senate leaders he is open to the idea of giving special consideration to Medicare Payment Advisory Commission (MedPAC) recommendations as part of health care reform.

“Under this approach, MedPAC’s recommendations on cost reductions would be adopted unless opposed by a joint resolution of the Congress,” Obama wrote in a recent letter sent to Senate Finance Committee Chairman Max Baucus (D-Mont.) and Senate Health, Education, Labor, and Pensions Committee Chairman Edward Kennedy (D-Mass.). “This is similar to a process that has been used effectively by a commission charged with closing military bases and could be a valuable tool to help achieve health care reform in a fiscally responsible way.”

MedPAC currently advises Congress on Medicare payment policies but has no power to implement them. Sen. John Rockefeller (D-W.Va.) introduced a bill in May that would make MedPAC an independent agency, similar to the Federal Reserve Board.

Rockefeller said Obama’s idea is slightly different, but agrees MedPAC should have more power.

“It’s time to move MedPAC into the executive branch and away from the influence of special interests,” Rockefeller said. “Congress has proven itself to be inefficient and inconsistent in making decisions about provider reimbursement under Medicare.”

“If we want serious improvements in our health care delivery system, then we need to reform MedPAC’s current authority to include fully establishing and implementing Medicare reimbursement rules.”

—Suzanne Struglinski

# Senate Considers Zero Market Basket Update

## Green Houses Touted In White Papers

Skilled nursing facilities (SNFs) may not see another market basket cost-of-living update if plans outlined in position papers issued by the Senate Finance Committee find their way into the final health care reform measure.

Just before the committee started compiling a final bill in June, Chairman Max Baucus (D-Mont.) and the committee’s top Republican, Charles Grassley of Iowa, released the final two installments of three white papers outlining potential ideas on health care reform, which include several ideas related to long term care.

The suggestions will not necessarily make it into the final bill nor does their inclusion in the white paper mean the lawmakers endorse the idea, but the proposals are at least on the table.

In a paper focusing on health care financing, the senators proposed following the Medicare Payment Advisory Commission’s (MedPAC’s) recommendation’s to reduce or eliminate market basket updates in 2010 for SNFs and other Medicare fee-for-service providers.

The committee’s paper says the market basket changes could be adjusted from MedPAC’s recommended levels or could be accomplished over multiple

years. It also suggests establishing differential payment updates for low- and high-margin areas for fiscal year 2010 as well as in other years.

The American Health Care Association/National Center for Assisted Living (AHCA/NCAL) disagrees with MedPAC’s recommendation as well as the committee’s idea for including it as part of health care reform.

“It is clear that a full market basket increase is critical to enable nursing homes and Medicare to continue to move forward in providing quality services

for our nation’s most vulnerable citizens,” the associations wrote in comments on the white papers submitted to the committee.

Meanwhile, in the committee’s paper focusing on expanding health care coverage, the senators put a

greater focus on home- and community-based services (HCBS), suggesting several changes that would allow for individuals to have more long term care choices outside of institutionalized care.

Suggested policy changes include allowing states to offer additional services under the Medicaid HCBS waivers and eliminating the institutional care requirement.

The committee’s proposal would also extend the Money Follows the Person



Baucus



Grassley