

Subcommittee Moves to Block Medicaid Cuts

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NEWS RELEASE

Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

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Subcommittee Moves to Block Medicaid Cuts

Approved Legislation would place a one-year moratorium on seven Administration-imposed Medicaid regulations

Washington, D.C. — The Committee on Energy and Commerce's Subcommittee on Health today completed a markup on legislation to place a temporary, one-year moratorium on seven Administration-imposed Medicaid regulations that would make significant cuts to the program over the next five years. Committee Chairman John D. Dingell (D-MI) offered an amendment in the nature of a substitute to H.R. 5613, the "Protecting the Medicaid Safety Net Act of 2008," which was forwarded to the full Committee by voice vote.

"This legislation will help protect the health of millions of Medicaid beneficiaries, and I am proud to move it forward," said Dingell. "Though the Administration issued new Medicaid regulations without conducting a thorough and proper assessment of their effects, it's clear that these rules would harm the most vulnerable among us. I am heartened by the strong bipartisan support this bill received today, and I look forward to bringing it to the full committee for consideration as soon as possible."

During the past year, the U.S. Department of Health and Human Services (HHS) has issued a number of regulations that would reverse longstanding Medicaid policies and eliminate federal payments for a variety of critical Medicaid functions. The rules in question would affect: payments provided to public safety net institutions; coverage of rehabilitation services for people with disabilities; outreach and enrollment in schools as well as specialized medical transportation to school for children covered by Medicaid; graduate medical education payments; coverage of hospital clinic services; case management services that allow people with disabilities to remain in the community; state provider tax laws; and appeals filed through HHS.

"I commend the subcommittee for supporting legislation that protects Medicaid beneficiaries from an onslaught of harmful regulations issued by the Bush administration," said Rep. Frank Pallone (D-NJ), Chairman of the Subcommittee on Health. "By passing this legislation, we are delaying regulations that undermine the longstanding partnership between the federal and state government that should not be implemented without considerable research on how they will impact millions of vulnerable Americans."

Dingell's amendment makes four key changes to H.R. 5613:

- It narrows the scope of the activities prohibited by replacing the language in H.R. 5613, as introduced, with the language used in the Medicare, Medicaid, and SCHIP Extension Act passed this past December. This language was acceptable to the Republican Members.
- It establishes an independent, comprehensive review of the regulations prior to the expiration of the moratorium next year.
- It provides additional funding to fight fraud and abuse in Medicaid. It would provide \$25 million to HHS each year, beginning in FY2009, for anti-fraud activities related to Medicaid.
- It includes two offsets to ensure that the bill is fully paid for:
 - Extending of an electronic asset verification demonstration for Medicaid applicants and beneficiaries; and
 - Borrowing money from the Physician Assistance and Quality Improvement (PAQI) Fund in 2013 that will be replenished in 2014.

During the markup, Ranking Member Joe Barton (R-TX), signaled his support for Dingell's amendment, saying, "The bill, in its current form, H.R. 5613, we expected, and may yet get, a veto message from the Administration. The key phrase being 'in its current form.' Having said that, thanks to Chairman Pallone and Chairman Dingell for their good faith efforts to work with Congressman Murphy, myself and Ranking Member Deal. There is going to be a Manager's Amendment sometime in this markup that changes 5613. I have asked the Administration and am reasonably confident that they will accede to my request that if the Manager's Amendment is ultimately presented to them that they will not veto the legislation."

The National Governors Association, the National Association of State Medicaid Directors, and the American Public Human Services Association have all written bipartisan letters to HHS in opposition to the regulations. Additionally, numerous groups representing beneficiaries, particularly people with disabilities, have also publicly opposed these regulations.

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Prepared by the Committee on Energy and Commerce

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