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## Dissent in House G.O.P. Forces Leaders to Change Plan for Medicare Drug Benefit

By ROBERT PEAR

**W**ASHINGTON, May 12 — A quiet rebellion by Republican backbenchers has forced House Republican leaders to reconsider and revise their plan to provide drug benefits to the elderly under Medicare.

The dissent is being voiced by party members who find themselves caught in the middle of a fierce election-year battle among lobbyists for doctors, hospitals, nursing homes, health maintenance organizations, home care agencies and other health care providers fighting over a limited pot of Medicare money.

The Republicans complained that the plan would finance drug benefits, in part, by cutting Medicare payments to hospitals and other health care providers. They asked Speaker J. Dennis Hastert why they were being forced to vote against their local hospitals in this election year.

Many also objected to the plan because it left a big gap in drug coverage. For an individual patient, Medicare would pick up much of the first \$2,000 in drug expenses and the full cost above \$5,000 a year. But the patient would be entirely responsible for amounts from \$2,000 to \$5,000.

When Mr. Hastert unveiled the Republican plan on May 1, he predicted confidently that the House would pass it by May 24, when lawmakers leave town for Memorial Day. But House Republican leaders now say they will probably miss that deadline because they are still tinkering with the plan, trying to round up votes and tamp down dissent.

Representative John E. Sweeney, Republican of New York, said the cuts being considered by House Republican leaders would have "awful consequences" for hospitals and other health care providers.

In a letter to Speaker Hastert, Mr. Sweeney and nine other Republican House members from New York said: "New York's health care providers can no longer sustain Medicare payment reductions without cutting back on the level of care they deliver to our communities. We can see no justification for such reductions."

House Republican leaders said they were following advice from the Bush administration, which in March suggested that Congress trim payments to hospitals and use the savings to pay doctors more.

But Representative Charlie Norwood, Republican of Georgia, a longtime advocate of patients' rights, said he was inclined to vote against the plan because it did not do enough on prescription drugs and would hurt hospitals and home health agencies.



"Many hospitals are already providing service at or below cost," Mr. Norwood said. "Cut payments any further, and we'll have a mass exodus of providers from Medicare."

Likewise, Representative John E. Peterson, Republican of Pennsylvania, said the bill would have "a devastating impact on home health agencies" that care for the elderly.

Representative Greg Ganske, Republican of Iowa, said he could not understand why anyone would propose cutting hospital reimbursement. "I am hearing from small-town hospitals all across Iowa that they are getting close to bankruptcy," Mr. Ganske said.

Members of Congress say doctors appear to have the strongest case for an increase in Medicare payments. Medicare cut payments to doctors by 5.4 percent this year, and the government foresees further reductions in each of the next three years, for a total decrease of 17 percent from 2002 to 2005.

The American Medical Association leads a coalition of lobbyists trying to overturn these cuts. The coalition consists of the American College of Surgeons, the American Academy of Family Physicians and more than 40 other medical groups.

The nation's 5,000 hospitals are also a potent lobbying force. Every Congressional district has at least one hospital. More than 260 of the 435 House members are co-sponsors of legislation to increase Medicare payments to hospitals.

Speaking for the elderly, John C. Rother, policy director of AARP, said: "Health care providers are entitled to reasonable reimbursement. But every additional dollar spent on health care providers is one dollar less for Medicare drug benefits."

President Bush touched off the current struggle in February, when he declared that any increase in Medicare payments to some health care providers must be offset by cuts for others.

Kenneth C. Robbins, president of the Illinois Hospital Association, said: "It's an unfortunate ploy to pit one group of health care providers against another. Doctors deserve higher Medicare payments. But to try to satisfy that legitimate need by reducing payments to hospitals is extremely unfair."

The pressures on members of Congress are illustrated in Connecticut, where two incumbents are running against each other in one of the nation's hottest Congressional races. The Republican candidate, Representative Nancy L. Johnson, is chairwoman of the Ways and Means Subcommittee on Health and a member of the team writing the Republican Medicare bill.

The Democrat running against Mrs. Johnson, Representative Jim Maloney, said: "The Republicans are cutting back hospital and nursing home reimbursement so they can move money into a prescription drug program. They're robbing Peter to pay Paul."

Mr. Maloney contends that Republicans created this predicament for themselves by voting for tax cuts that reduced the federal budget surplus.

Representative Benjamin L. Cardin, Democrat of Maryland, said that he, like most lawmakers, had been deluged with pleas from health care providers seeking higher Medicare payments. Invariably, he said, he tells them they should have been involved

last year, when Congress was debating the tax cuts.

Mrs. Johnson said she well understood the financial problems of hospitals and would try to address them. In March, she introduced a bill to increase payments to doctors.

Under current law, hospitals would receive a full update for inflation, about 3 percent a year, each year from 2004 to 2007. The House Republican plan would reduce the update by one-half of a percentage point each year, saving \$5 billion over five years.

Laurence A. Tanner, president of New Britain General Hospital, in Mrs. Johnson's hometown, said his costs — for nurses' wages, prescription drugs and liability insurance — were rising far more than 3 percent a year. "I have no expenses rising less than 3 percent a year," Mr. Tanner said.

Richard J. Pollack, executive vice president of the American Hospital Association, said: "The administration's proposal to cut hospitals is terribly shortsighted and misguided. One out of three hospitals is in the red today. One in two loses money caring for Medicare patients."

But Thomas A. Scully, administrator of the federal Centers for Medicare and Medicaid Services, said that Medicare payments to hospitals were adequate, and that hospital costs were growing more slowly than expected this year.