

Democrats to Revisit  
Medicare Provisions

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WASHINGTON -- Cuts in Medicare payments to private health insurers won't be included in a children's health bill Democrats hope to send to President Bush next week, but a top senator is vowing to return to the issue later in the year.

House Democrats, under heavy pressure to reach final agreement with the Senate and send a bill to Mr. Bush before Sept. 30, when the children's health program is due to expire, have agreed to drop Medicare-related provisions they approved in their chamber's version of the bill. DOES THIS INCLUDE SEC 651, IT SOUNDS LIKE IT DOES?

But Sen. Max Baucus (D., Mont.), the chairman of the Senate committee that oversees Medicare, said he will pursue several Medicare issues later, including a payment increase for physicians and cutbacks for insurers operating in Medicare Advantage, an alternative to the government-run program in which private companies cover Medicare beneficiaries.

House and Senate Democrats met with Senate Republicans last night to work out remaining details of the health legislation, and leaders in both chambers hope to debate it next week. They already have decided to spend an additional \$35 billion over five years on the program, which helps states fund coverage for low-income children not poor enough to qualify for Medicaid. That is less than the \$50 billion the House voted to spend, but Mr. Bush has said that figure is too much. He also has opposed the tobacco-tax increase lawmakers would use to offset the additional spending, as required under congressional budget rules.

Mr. Baucus is contemplating cuts in payments to Medicare Advantage insurers that are "not as much" as the cuts that were passed by the House. "But some," Mr. Baucus said in a brief hallway interview. "It will be significant."

Many Democrats, particularly in the House, say the plan payments should be reduced because the government spends more on average on Medicare Advantage beneficiaries than patients in the traditional program. Supporters of the private plans say eventually the plans will improve quality and efficiency.

Mr. Baucus said he hopes to address other Medicare issues, including possible improvements to the program's prescription-drug benefit and requiring that health insurers selling Medicare drug coverage pay retail pharmacies quickly for dispensing medications.

Some House Democrats have bristled at being asked to give up the Medicare changes -- passed despite aggressive lobbying by the health-insurance industry -- in the children's health insurance bill. But to get a children's health bill through the Senate, bipartisan support is needed, and many Senate Republicans are likely to oppose Medicare Advantage cuts.

Democrats' interest in finalizing an agreement is high, as leaders are eager to shift the debate from intraparty differences to a battle with Mr. Bush, who has said he would veto the Senate bill that is similar to the House-Senate agreement being worked out.

A major motivation for lawmakers to return to the issue of Medicare Advantage cuts this year is to offset -- again, to comply with budget requirements -- new spending that is widely expected on Medicare payments to physicians, who are scheduled to see a reduction unless Congress acts.

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