

PUBLICATION

Cowart: Federal health-care funding torn between kids, seniors

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As Congress tackles health-care issues, a generational division is developing over who gets additional federal funding. In one corner is the very popular State Children's Health Insurance Program (SCHIP), and in the other corner are payments to physicians who treat senior citizens.

The past five sessions of Congress have begun with the need to fix the physician Medicare payment formula. In each of those years, it was evident that the physician payment formula did not work. It was equally evident that the payment cuts resulting from inattention would jeopardize seniors' access to physician care.

Yet, in spite of five years of physician outcry and failed threats to take additional Medicare payments, Congress has done nothing to fix the formula. To avoid a crisis, Congress has pre-empted the formula each of the last five years and given the physicians either a small (1 percent) pay increase or frozen the physician payments at the prior year level.

If no action is taken this year on physician Medicare payments, physicians should expect a 10 percent cut across the board in payments derived from treating senior citizens.

A favorite of the new Democratic Congressional leadership is the SCHIP program. When Clinton health reform was derailed, one component that successfully moved forward was the addition of 4 million children (and 700,000 parents) to federal and state health-care programs.

In seven states, SCHIP covers children and families that earn as much as 300 percent of the federal poverty level (\$61,950 a year).

The cry of the uninsured

A leading element of our nation's cry for health reform remains the 47 million uninsured. Based on a pure head count, adding children (and young parents and siblings) to SCHIP is the easiest and least-expensive place to provide health coverage. On average, 10 children can be insured in SCHIP for what it costs to care for one senior citizen in Medicare.

The related challenge for the new Democratic Congressional leadership is its mantra to change Congress.

House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid have promoted a "pay as you go" thematic for the business of Congress.

Having set the standard of doing something bold in health care without creating larger deficits, the Democratic leadership is faced with the Hobson's choice: Do we spend available dollars to expand SCHIP, or do we ensure access to care for senior citizens by addressing the physician payment in equities?

(Hobson's choice means to take either what is offered or nothing at all.)

In a recent address, Sen. Max Baucus, D-Mont., chairman of the Senate Finance Committee, indicated that he didn't believe this was the year to address physician payment reform.

With that precursor, it would appear that the odds favor youth and that physicians should prepare to tighten their belts for at least one more year.

After five years of no increase, be prepared for a significant professional reaction if the physician payment cuts are ever allowed to take effect.