

HEALTH REFORM IN NORTH CAROLINA

Senate Passed Health Care Reform: What It Means for You

Senator Richard M. Burr

This past Christmas Eve, the United States Senate passed legislation that will impact all Americans. This legislation will bring drastic changes to our health care system and greatly expand the federal government's role in it. So far, 43 physician organizations across the nation have come out in opposition to this bill, and while many of its long-term effects are yet to be fully understood, I want to take this opportunity to update you on what passage of this legislation means for you, your colleagues, and your patients.

This bill seeks to expand coverage to uninsured Americans by cutting Medicare, including cuts to benefits for seniors; significantly increasing federal spending and taxes at a time of record unemployment rates; and putting government bureaucrats between patients and their doctors. This bill also increases health care costs. It took a lot of closed-door negotiations and backroom deals to get this bill passed. In the end, Democrats secured the 60th vote needed when Majority Leader Reid included a provision that would have the federal government, and by extension all other states, fully fund the expansion of Medicaid in Nebraska. Despite the hours of debate and seemingly endless news coverage, we still do not know what the full ramifications of this bill's nearly 3,000 pages will be, and I fear we will be learning more and more about its negative and irreversible consequences for months and years to come.

What we do know, however, is that the Senate-passed bill squeezes providers, and it fails to address many of the most common and serious concerns I hear from health care professionals in North Carolina. A provision to provide a one year fix for the scheduled 21% cut in Medicare physician payments for 2010 was removed by Majority Leader Reid from the latest version of the bill. On December 19, the Senate passed a two month delay for the sustainable growth rate (SGR) cuts in a defense funding bill, but doctors and their patients deserve a permanent solution to this issue, not temporary patches that just push the problem further down the road.

According to the Centers for Medicare and Medicaid Services (CMS) Office of the Actuary, the bill funds hundreds of billions of dollars in new federal spending by relying on Medicare payment cuts, which are unlikely to be sustainable on a permanent basis. As a result, providers could find it difficult to balance office budgets and might be forced to end their participation in the Medicare program, thus jeopardizing access to care for seniors. The actuary's analysis also points out that these cuts could result in roughly 20% of Part A providers—from hospitals to nursing homes to home health agencies—becoming unprofitable within the next decade. Additionally, 15 million of the 31 million Americans covered by this bill will be Medicaid patients, and we know from years of experience that health providers are not reimbursed at the true cost of providing care to these patients.

In addition to being dedicated health care providers, you are all citizens, with concerns about how this bill will impact you and your family. All of us want to ensure that every American has access to high quality and affordable health care. All of us want to bring down the costs of health care. However, the CMS actuary predicts this bill will increase our nation's health care costs by almost a quarter of a trillion dollars over the next 10 years. This bill drastically increases federal spending, taxes health care plans, cuts Medicare, taxes life-saving medical devices and drugs, and increases the Medicare payroll tax. The impact of this bill on small businesses would also be devastating. Small businesses will be impacted by the employer mandate and other new and increased taxes in the bill. Moreover, the nonpartisan Congressional Budget

continued on page 514

continued from page 513

Office's analysis indicates that this bill does very little, if anything, to lower costs for small businesses, and the individual market will see a 10%-13% premium increase. Health care reform should bring costs down, not drive them up.

Ultimately, the Senate passage of this bill is not the end of the road, but it is a large step in that direction. This bill will have to be reconciled with a very different House-passed bill which could mean that it will go to conference, and a compromise piece of legislation will be drafted that will go to both houses of Congress and must be passed by both Chambers, before heading to the White House to be signed into law.

As negotiations continue on this legislation, I will keep you informed of the impact it will have on you and all Americans.

Sworn-in to the United States Senate in 2005, Senator Burr has become a leading voice in the fight for meaningful, beneficial reforms to our nation's health care system, and against government run health care. He serves on the Health, Education Labor and Pensions Committee, the Energy and Natural Resources Committee, the Senate Committee on Veterans Affairs where he serves as the Ranking Member, the Armed Services Committee, and the Senate Intelligence Committee.