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Floor Statement of U.S. Senator Chuck Grassley of Iowa  
Ranking Member of the Committee on Finance  
Introduction of the Preserving Access to Medicare Act of 2008  
Wednesday, June 11, 2008

Mr. President, I am pleased to introduce today the Preserving Access to Medicare Act of 2008.

If we do not act very quickly, the physicians who treat Medicare patients will face a 10.6 percent pay cut, effective July 1. It is not in the best interest of America's seniors who depend on Medicare for their doctors to take such a significant cut. Such a dramatic cut will affect access that seniors have to their doctors. The bill we are introducing today provides a 0.5 percent physician update for the remainder of 2008 and a 1.1 percent update for 2009. This increase is identical to the one the majority is looking to proceed to tomorrow.

Preserving access to health care for Medicare beneficiaries is a first priority, but it is not the only thing we are accomplishing in this bill.

The bill will also improve the quality of care in Medicare. It increases the physician quality reporting bonus from 1.5 percent to 2 percent for 2009 and 2010. The bill retains the Physician Assistance and Quality Improvement (PAQI) fund to specifically help avert future physician cuts. It promotes value-based purchasing, e-prescribing, and electronic health records. It includes a responsible rural package, including a rural home health add-on payment. It returns the ownership of oxygen equipment to the supplier, not the beneficiary. The bill extends section 1011 of the Medicare Modernization Act for two years at a total of \$400 million. It phases out the duplicative Indirect Medical Education payments from Medicare Advantage. The bill makes reforms to Medicare Advantage marketing practices to curb abusive activities. It requires all MA plans to report on quality.

Mr. President, I also want to devote a moment to what the bill we are introducing today does not do. Unlike the bill the majority wants to proceed to tomorrow, the bill we are introducing today does not make cuts to payments for power wheelchairs. Unlike the bill the majority wants to proceed to tomorrow, the bill we are introducing today does not reduce payments for oxygen. Unlike the bill the majority wants to proceed to tomorrow, the bill we are introducing today does not make large, unwarranted cuts to Medicare Advantage, altering policy decisions designed to maximize patient choice. Unlike the bill the majority wants to proceed to

tomorrow, the bill we are introducing today does not eliminate the PAQI fund, which Congress specifically created to help avert future physician cuts.

Unlike the bill the majority wants to proceed to tomorrow, the bill we are introducing today does not expand eligibility for low-income Medicare programs, which would increase long-term entitlement spending and expand coverage under an already unsustainable program. While well intentioned, this is not the right time for entitlement expansions like this. The Medicare program is headed for a fiscal crisis that demands comprehensive reform. Many would also like to add income-relating Part D subsidies to this bill as well. That change would make high income seniors shoulder a greater share of their Part D premium just like already happens today with premiums under Part B of Medicare.

These kind of changes need to be done. The other side has told us that they cannot support increasing premiums on high income seniors in order to provide greater assistance to lower income seniors. Many on our side are disappointed by their position. So it seems we will need to reserve those reforms on premiums until we are working on comprehensive Medicare reform in some future bill.

And finally, let me turn to the most critical difference between the bill we are introducing today and the bill the majority wants to proceed to tomorrow. The bill we are introducing today can be signed into law. The President will sign our bill. The bill the majority wants to proceed to tomorrow - if it somehow were to make it to the President's desk - will be vetoed. Mr. President, Republicans were not the ones that walked away from the negotiations and put a timely outcome of this effort in jeopardy.

I am ready to sit down on a bipartisan basis to find a compromise that protects seniors' access to Medicare and that can be signed into law. Today we are introducing a bill that accomplishes that. Tomorrow we are voting to proceed to a bill that does not. I hope we can move beyond this political exercise soon to accomplish what seniors are counting on us to do.