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Grassley works for rural equity in health care debate  
Iowa senator fights for fair treatment, certain outcomes for all rural states

WASHINGTON --- Senator Chuck Grassley said today that he will offer an amendment for rural health care equity during Senate debate on the health-care reconciliation bill. Grassley said at issue is how Medicare calculates payments to physicians and unfairly penalizes rural doctors, making it increasingly difficult for rural Medicare beneficiaries to find a doctor.

Grassley said his amendment this week would repeal the special deal for five selected frontier states that became law today when the President signed health-care reform legislation. The higher payments given to these five states, North Dakota, South Dakota, Montana, Wyoming and Utah, come at the expense of every other state and will make it more difficult to secure passage of formula changes to achieve equity for rural states nationwide. The Grassley amendment would improve physician payments for all rural states, not a selected few.

Grassley said his amendment to the reconciliation bill also would make clear that a side agreement reported over the weekend between House members and the Secretary of Health and Human Services for an Institute of Medicine study about geographic disparity cannot interfere with the clear-cut improvement made during Senate debate on the health care bill to improve the accuracy of the data the government uses to factor in physician practice costs in determining Medicare payments. Last September, the Finance Committee adopted a Grassley amendment to make this change. The Senate proposal was much stronger than the health care bill in the House of Representatives because the House bill only had a study to make recommendations. It didn't make actual improvements to the status quo for rural providers.

"I want to make sure the agreement with Secretary Sebelius that somehow accompanies the House health-care reconciliation bill, cannot un-do the actual formula fix established by the Grassley amendment in the health-care reform bill to secure more equitable payment for doctors serving Medicare beneficiaries in rural areas," Grassley said.

The Grassley amendment that's part of the health-care reform that became law today tells Medicare officials to use accurate data. Grassley said his concern is "if the House reconciliation bill results in the Institute of Medicine coming up with different data and makes recommendations that aren't consistent with the requirements for the practice-expense geographic adjustments that are now law, we could be back where we started, or worse off. It's unclear what was agreed to between Secretary Sebelius and the House, and what the advantage is for rural health care equity for physicians, so anything could happen."

The senator said that another concern is that descriptions of the study promised by the Secretary of Health and Human Services say it would be part of the work of the new Independent Payment Advisory Board. "The purpose of that Board is to cut Medicare spending, which likely will not result in improvements for rural areas," Grassley said.

“I hope senators don’t let politics get in the way of making sure these important policies are established in a way that is equitable and fair. These formulas determine how well Medicare works, or doesn’t work, for beneficiaries in rural states,” Grassley said.

Separately, the health-care reconciliation bill passed by the House and pending in the Senate also raises questions by creating a new reimbursement cliff for doctors in Medicaid, on top of the physician payment formula problem that exists already in Medicare. “As bad as the physician payment problem is in Medicare, House members now have set up the same kind of problem in Medicaid. The health care reform bill puts another 16 million Americans in Medicaid, so Medicaid’s problems will get even bigger. That’s a disservice to beneficiaries in both programs,” Grassley said.

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