



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley says he wants to extend provision to help hospitals with Medicare payments

WASHINGTON — Sen. Chuck Grassley, Chairman of the Senate Finance Committee, said today that he will seek a six-month extension of a provision designed to make Medicare hospital payments more fair and accurate.

Grassley made his announcement today in Pennsylvania as staff-level negotiations begin on Capitol Hill on Medicare legislation that may be considered during the lame-duck session that starts Nov. 13.

The provision in question – Section 508 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 – is set to expire in March 2007. It enables certain hospitals to obtain geographic reclassifications for purposes of using a more appropriate wage index and receiving more accurate Medicare payments. Nationwide, 120 hospitals are affected.

“Medicare hospital payments need to adequately account for differences in wages so that hospitals are able to obtain staffing in a competitive workforce environment,” Grassley said. “When that difference isn’t recognized, it’s harder for a hospital to recruit and keep on staff nurses and other essential personnel without putting the hospital’s financial health in jeopardy.”

Grassley said he is seeking a long-term solution to problems with the area wage index in addition to advocating a six-month extension of Section 508.

The Finance Committee is responsible for all Medicare legislation in the Senate and oversight of the Medicare program.