

MOTION TO INSTRUCT CONFEREES ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT 2001

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 31, 2000

Mr. DINGELL. Mr. Speaker, recently, the House of Representatives passed legislation giving billions of dollars to Medicare providers, the bulk of which went to Medicare HMOs. This legislation did virtually nothing for providers under Medicaid. Yet, in almost every State across the nation, Medicaid payment rates are a fraction of what Medicare pays.

The motion offered by the gentleman from Texas, Mr. BENTSEN, insists that the conferees to the Labor HHS bill ensure provider payments in the Medicaid Program are adequate to ensure that the children, disabled, and working families covered by Medicaid have access to quality health care. I appreciate his commitment to readdress this in the next Congress.

Medicaid covers 38 percent of all births in this country. It pays for 30 percent of all visits to pediatricians. The Medicaid Program insures more than 21 million children in this country. It also pays for a significant portion of nursing home care for the elderly. Medicaid is an insurance program that provides care for the most vulnerable in our society. By failing to ensure that Medicaid provider payments are adequate, access is jeopardized and we are failing our children, our elderly parents, and the disabled who depend on this program for their health care.

In my home State of Michigan, I have worked to ensure providers get adequate reimbursement so that they will continue to participate in the Medicaid Program and provide quality care. But, the situation remains dismal. Medicaid payments for obstetric care in Michigan are less than half of the Medicare rate. Payment for primary care services is also barely half of what Medicare pays. This, at a time when the state has more than a billion dollars in budget surplus and will receive more than 300 million dollars this fiscal year in tobacco settlement money.

In Michigan, what is becoming increasingly troubling is that the state is attempting, by expanding the use of HMOs in Medicaid, to wash its hands completely of any responsibility to ensure providers are paid adequately. The state is shifting beneficiaries wholesale into managed care, yet the state is failing to monitor aggressively the adequacy of HMOs' payments to doctors, hospitals, and nursing homes that provide care for beneficiaries. In Michigan, inadequate provider payments by

managed care plans under contract with the state have resulted in disruption in care and difficulty for many in obtaining care. Particularly acute problems have surfaced for individuals with HIV and children with special needs. We have a responsibility to ensure provider payments are adequate for beneficiaries whether they are in fee-for-service or managed care.

Nursing homes too, receive woefully low reimbursement to care for Medicaid beneficiaries. In 2000, it is projected that more than half of all nursing home care will be paid for by Medicaid. Yet, we know from research, much of which has been conducted by my colleague HENRY WAXMAN and the Government Reform Committee Democratic staff, that conditions in many nursing homes do not meet even the most basic standards.

Given that my colleague from Texas offered this motion, I would like to also mention a few facts about this problem in the state of Texas. A recent Government Reform Committee investigation in Texas examined the 1,230 nursing homes in that state which serve more than 86,000 Texans. Their investigation found that there are serious deficiencies in many of these homes. More than 80 percent of the homes violated federal health and safety standards during recent state inspections. More than half of the homes had violations that caused actual harm to residents or placed them at risk of serious injury.

The State of Texas ranks 45th out of 50 states in terms of nursing home payments for Medicaid beneficiaries. In 1999, the average Texas per diem rate was a little over \$80 per person. The majority of nursing home beneficiaries are the frailest and most vulnerable of all. We have a responsibility to ensure that the payments for the care of our parents are adequate; that the payments do not encourage facilities to skimp on care; and that there is ample staffing to ensure the health and safety of nursing home residents. Unfortunately, many states have not been meeting these responsibilities.

Low provider payments also thwart efforts to promote dental health. A recent Center for Health Care Strategies report on increasing access to dental services in Medicaid noted: "In many states, dentists are not participating in Medicaid programs, mainly due to the low Medicaid reimbursement rates. Dentists have little financial incentive to see Medicaid patients, and often have a disincentive—they lose money on each patient, as reimbursement rates in many states do not cover costs." If states are not even paying dentists enough to cover costs, how can we expect them to participate?

A September 2000 study by the General Accounting Office confirms this problem: "While several factors contribute to the low use of dental services among low-income persons who have coverage for dental services, the major one is finding dentists to treat them.

Some low-income people live in areas where dental providers are in short supply, but many others live in areas where dental care for the rest of the population is readily available."

In Texas in 1998, there were 8,656 active dentists in the state—only 1,923 of them—or 22 percent—treated Medicaid patients. This number is clearly not adequate to treat the 2,680,583 Medicaid patients enrolled in the state in that year. These low

Letters from the National Governors' Association and the National Council of State Legislatures threatened cuts in state Medicaid programs and reductions in coverage if the motion were adopted. I am appalled by their callous statements. It is miserly and uncompassionate to say that, in this time of record prosperity, states cannot afford to pay providers so that the most vulnerable, sickest, and frailest members of society can be assured decent care. Especially when on average nearly 60% of every dollar of Medicaid spending is contributed by the Federal Government.

Perhaps what the Republican governors who support the NGA threat mean is that they would choose to allocate their money differently. My home state of Michigan has managed to provide tax cuts for the rich in three of the past four years. Last year they enacted a \$300 million tax cut, yet they have done little to address the inadequacy of provider payments in Medicaid. Many Republican governors, it appears, would rather help their wealthy friends, than spare a dime to help children, elderly, and pregnant women who depend on Medicaid for their health insurance coverage.

Some members that oppose ensuring adequacy of Medicaid payments argue that we voted for the repeal of the so-called "Boren Amendment" in the Balanced Budget Act of 1997 (BBA) and now we're reversing our position. I would just remind my colleagues that we voted for a lot of provisions in the BBA. Many of us also voted for Medicaid provider cuts. Now, however, we recognize the deep impact on these cuts on providers and beneficiaries—both in Medicare and Medicaid.

We recently passed a bill that added billions to Medicare provider payments, but the Republican Leadership stripped out many of the provisions helping Medicaid providers. Medicaid providers must be paid adequately. How can we expect providers to remain committed to providing quality care and continue treating patients in Medicaid if their reimbursement does not even cover their overhead costs? About 20 percent of children in this country are covered by Medicaid, as are about four million seniors. They don't have legions of well-paid lobbyists roaming the halls of Congress, and they don't contribute large sums of money to political campaigns. But they need and deserve our help.