The 111th Congress and Health Care Reform

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President Obama has made health care reform his domestic legislative priority. He has asked the Congress to pass legislation that would extend health insurance coverage to the uninsured and underinsured, and enhance coverage for Medicaid and children's health care. In his request to Congress, he also asked that the costs necessary to pay for the universal coverage be borne by savings in current health care programs expenditures, and where and if appropriate, by raising revenues.

The process began in earnest in the late spring with all five committees of jurisdiction holding hearings. Those Committees were in the Senate: The Committee on Health, Education, Labor and Pensions (HELP) which was chaired by the late Senator Kennedy, and The Senate Finance Committee, chaired by Senator Bacaus. In the U. S. House of Representatives the three committees were: the House Ways and Means Committee, chaired by Mr. Rangel of New York; the Subcommittee in Health, chaired by Mr. Stark of California; the Energy and Commerce Committee, chaired by Mr. Waxman of California and the Committee on Education and Labor, chaired by Mr. Miller, also of California. By the middle of the summer of 2009 and before the August recess, four of the five committees had acted on legislation to be reported to the full Senate and full House of Representatives, respectfully.

In the Senate, the HELP Committee reported a health care reform bill to the full Senate that would require everyone to have health insurance, have a public program established for those who could not afford health insurance and whose employers did not provide coverage. The bill also recommended several changes to the health care work force, with an emphasis on primary care and prevention. The reported bill, however, contained no provisions for savings or revenues to pay for the cost of extending coverage as their committee does not have jurisdiction over the Medicare Program or the tax code (should Tax Code be capitalized? I don't think so). Jurisdiction for Medicare and taxes rest with the Senate Finance Committee. The Finance Committee has yet to mark up legislation, although at press time they indicated that they would do so by mid-September.

In the House of Representatives, all three Committees have marked up legislation and have reported bills for the full House to consider. The legislation reported by the three committees is very similar and will be merged into one bill by the House leadership for consideration by mid-to-late September.

All three House bills require everyone to have health insurance, provide for a public program for those that don't have coverage and utilize the public program to control costs via competition with private health insurance. On the savings side, both the House Ways and Means Committee and the Energy and Commerce Committee have jurisdiction over Medicare and have proposed reductions in provider payment under Medicare.

Washington Beat is intended to provide a timely synopsis of activity in the nation's capitol of importance to clinical laboratory practitioners. This section is coordinated by Rick Panning, chair of the ASCLS Government Affairs Committee; and Don Lavanty, ASCLS Legislative Counsel. Direct all inquiries to ASCLS, (301) 657-2768 ext. 3022, (301) 657-2909 (fax); or mail to ASCLS, 6701 Democracy Boulevard, Suite 300, Bethesda MD 20817, attn: Washington Beat.

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Among the proposed reductions are payment controls on imaging procedures, growth limitations on physician payments, except for primary care, and several other procedural changes that would result in Medicare savings, including reductions in Medicare Advantage payments.

The clinical laboratory manpower issues are currently addressed, as most committees are proposing increased support for allied health training and education. Although the specifics of support have yet to be finalized, many of the manpower support proposals will be in conjunction with primary and preventive care, which requires laboratory services and personnel.

On the reimbursement side, clinical laboratories were scheduled to receive an update tied to the CPI for 2010. Since the economic recession will result in a negative CPI, any increase is unlikely. The three House bills also contain a mechanism that would use a formula to adjust all Medicare payment updates. If this formula or the negative CPI adjustment is applied, laboratories would see further cuts. The Clinical Lab Coalition has been working with the House committees to cap this formula to the level of the CPI reduction and is hopeful that will prevail.

The remaining concern for Laboratories on the reimbursement side comes from draft proposals by the Senate Finance Committee which have suggested that the laboratory co-payment be reinstated to raise revenues to help defer the cost of health care reform. In addition to the likely lower reimbursement due to the CPI update mechanism, the Senate Finance Committee has also proposed that laboratories pay a fee to do business with Medicare and Medicaid. Specifics regarding the amount of the fee and to which laboratories it would apply to were not known at press time.

With the Presidential address to the joint session of Congress on health care reform in early September, the action by the three House committees and draft proposals being developed by a non-partisan group of Senators in the Senate Finance Committee, serious legislative action was expected to take final shape by late September or early October. At this stage, it is too early to predict or have a clear view of the final form the legislation will take as it affects clinical laboratories.

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