

HEALTH PROVISIONS IN RECONCILIATION

July 26, 1997

ISSUE	STATUS
MEDICARE	
Medigap for services not covered by Medicare	Replaced private fee-for-service option with a Medigap option that covers services otherwise not covered by Medicare (e.g., longer hospital stays).
MSAs	Size is still an issue, as are beneficiary protections.
Mammography	Cost sharing issue unresolved.
Final scoring & language	Have not seen; more issues may arise.
MEDICAID	
DSH Formula	Concerned about allocation of dollars across states and "rifle shots".
DC, Territories	Funded below levels in the President's budget.
Special states	NY provider tax waiver, Alaska matching rate increase.
Final scoring & language	Have not seen; more issues may arise.
CHILDREN	
Tobacco Tax	Amount and sunset are still issues. Additionally, could dedicate certain percent of these funds for required school-based education of children/families about options.
Benefits	No assurance that children get the range of benefits needed.
Accountability	Direct services is permitted, but up to a limit.
Eligibility in expansion states	Restricts coverage to kids up to 200% of poverty or, if they are currently at 200%, their level + 25%. This may be too low for expansion states or if there is \$24 billion rather than \$16 billion.
Final scoring & language	Have not seen; more issues may arise.

MEDICARE ISSUES IN CONFERENCE

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RESOLVED ISSUES

- **Home health transfer:** Administration deferred to Congress.
- **High-income premium:** Administration deferred to Conference (not in).
- **Private fee for service option:** Conference deferred to Administration assuming final agreement on Medigap coverage for services not covered by the program.
- **Private physician contracting (Kyl Amendment):** Compromise to add walls mutually agreed to by Administration and Leadership.
- **Medicare Commission structure:** Compromise with Conference.
- **Teaching hospital carve out:** Administration deferred to conference on DSH.
- **DSH reduction:** Conference agreed to reduce cuts by half.
- **Hospital transfer:** Compromise with Conference.
- **Prudent purchasing:** Compromise on competitive bidding, inherent reasonableness; Administration deferred to Conference on Centers of Excellence.
- **Office of Competition:** Compromise with Conference.
- **Medigap:** Administration deferred to Conference.

OPEN ISSUES

- **Medigap coverage for services not covered by the program:** Working on compromise.
- **MSAs:** Still concerns about size and beneficiary protections.
- **Mammography cost sharing:** Working on compromise.
- **Final legislation and scoring:** Have not seen; more issues may arise.