



Legislative Bulletin.....April 26, 2005

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Spratt Motion to Instruct Conferees on H. Con. Res. 95 the FY06 Budget Resolution

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Order of Business: Rep. John Spratt (D-SC) indicated he will offer a motion to instruct conferees on H. Con. Res. 95, the FY06 Budget Resolution. That motion is expected to be offered sometime on Tuesday, April 26th.

Summary: The Spratt motion is expected to instruct budget conferees to drop the House-passed reconciliation instructions to the House Commerce Committee and include \$1.5 million for a bipartisan commission to study reforms to the Medicaid program. At press time, the text of the Spratt motion was not available.

Additional Background: The House-passed FY06 Budget Resolution included \$68.6 billion over five years in reconciliation instructions to the authorizing committees to reduce the rate of growth in mandatory spending. The Energy and Commerce Committee was asked to find \$20 billion in savings over five years from any of the programs within its jurisdiction not just Medicaid. The Senate resolution included no comparable reconciliation instruction.

Under the House-passed reconciliation instruction, *if* the Committee chose to reform only Medicaid, the program would still *grow* at an average of 6.9% over the next five years (instead of 7.3%). Examples of waste, fraud, and abuse in Medicaid include:

- News reports continue to point out that Medicaid benefits are often dispensed to deceased individuals (and those payments often go uncollected by the states).
- States overpaying healthcare providers to leverage federal matching funds in order to spend more on non-Medicaid items.
- An entire elder law industry exists to help individuals shield their assets while they attempt to qualify for Medicaid.

86 House Members signed a letter to Chairman Nussle urging that the Commerce Committee's reconciliation instructions be retained in the final conference report to allow for needed reforms this year (with only a majority vote needed in the Senate).

Reconciliation Background: Under the reconciliation process, the conference report on the Budget Resolution will instruct certain committees to find savings to reduce the growth in mandatory spending. The committees will be given a deadline to meet their reconciliation savings targets, and then the Budget Committees will package the various bills into a reconciliation package. It is this reconciliation package that will contain the actual changes to current law not the conference report on the Budget Resolution. **Thus, Members will have a separate opportunity to vote on any policy changes and voting for the Budget Resolution, and any reconciliation instructions it contains, does NOT mean that Members are endorsing any particular policy change.**

Cost to Taxpayers: Any motion to instruct conferees is non-binding and thus would have no effect on the cost or revenue effects of the underlying legislation.

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