NEWS RELEASE

http://finance.senate.gov

<u>For Immediate Release</u> Wednesday, December 14, 2005 Contact: Carol Guthrie 202-224-4515

SENATE SENDS STERN MEDICAID MESSAGE TO RECONCILIATION SPENDING BILL CONFEREES

Senators vote 75-16 to instruct conferees to protect Medicaid beneficiaries, reject House-passed plans to raise co-payments and cut benefits

Washington, DC – The United States Senate today overwhelmingly reaffirmed its position that Medicaid beneficiaries should not be subjected to higher co-payments or see their benefits slashed by budget reconciliation legislation currently under consideration by the Congress. Senators voted 75-16 in favor of a motion by U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, to warn spending bill conferees not to produce a final report that robs low-income Americans of their health care. A bipartisan Senate version of the spending cuts legislation found savings in both Medicare and Medicaid, in part by curbing government overpayments to providers of health care. The House legislation cut costs largely on the backs of Medicaid recipients, increasing co-payments for health care and changing rules on what services beneficiaries may receive. Conferees are expected to be appointed this week to create a final, single version of the bill.

"The Senate's message is simple: our position on Medicaid must prevail in the spending bill conference," said Baucus. "Senators of both parties worked to find savings without punishing Americans who need Medicaid. The House co-payments and benefit cuts would deprive millions of those Americans – including a lot of children – of any health coverage at all. Today the Senate said again, that's the wrong way to achieve savings. Driving beneficiaries off the Medicaid rolls will just drive up health costs for all Americans."

Medicaid serves more than 50 million low-income Americans, including many children, seniors, and disabled citizens. In estimating \$11 billion in Medicaid savings from the House provisions, the Congressional Budget Office says most savings would occur because Medicaid recipients would get fewer health services and because some would be dropped from coverage.

Baucus has advocated for Medicaid policy reform that focuses on sustaining Medicaid for future generations. He remains concerned about Medicaid's future, and is willing to find cost savings. But he says the neediest populations must not bear the burden of budget cuts in a final reconciliation bill.

"Nothing's going to change our responsibility to Medicaid recipients. Senators who voted to protect beneficiaries today should stick to their guns if the conference report ignores this instruction," said Baucus.