

## House Challenges Administration on Medicaid Rules

By JIM ABRAMS

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WASHINGTON -- The House voted Wednesday to block the Bush administration from cutting federal spending on Medicaid health care for the poor by \$13 billion over the next five years. President Bush has threatened a veto, but supporters have more than enough votes in the House to override him, and maybe in the Senate, too.

Two thirds of the Republicans joined every voting Democrat in the 349-62 vote to impose a one-year moratorium, through next March, on seven rules changes that the administration argues are needed to rectify waste and abuse in the state-federal partnership to provide health care to the poor.

Supporters of the bill said the rules would merely shift financial burdens to the states at a time of economic distress while reducing access to health care for the country's neediest people.

The governors of all 50 states, state Medicaid directors and others oppose the rules, Energy and Commerce Committee Chairman [John Dingell](#), D-Mich., told the House. "They know the devastating effects these rules would have on local communities, upon hospitals, and upon vulnerable beneficiaries."

The House vote margin was well above the two-thirds needed to override a presidential veto. Congress has overridden a Bush veto only once, last November on a water projects bill.

But the legislation must first move through the Senate Finance Committee and get a vote on the Senate floor. Finance Committee Chairman [Max Baucus](#), D-Mont., applauded the House vote, saying he intended to work with his Senate colleagues "on strategies to stop harmful Medicaid regulations as well."

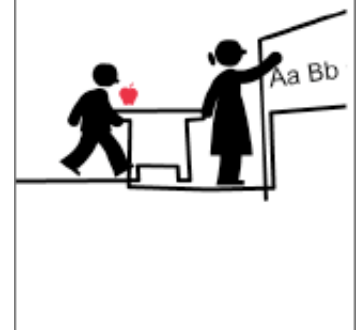
But his Republican counterpart, [Charles Grassley](#) of Iowa, has voiced opposition to the House approach of freezing the seven rules.

"It is an absolute farce for anyone to argue that all of those dollars are being appropriately spent and that Congress ought to just walk away from these issues," he said in a recent speech. He said the Finance Committee should fix the problems "instead of just making the regulations go away."

The Bush administration instituted the rules with the aim of saving the Treasury about \$13 billion over five years and \$33 billion over 10 years in programs that provides health coverage and nursing home care to the poor.

The White House, in a statement Tuesday warning of a veto threat, said the bill would "thwart these efforts of the federal government to regain fiscal accountability and integrity in Medicaid." Health and Human

Kids with five caring  
and responsible  
adults in their lives  
are 50% less likely  
to drink alcohol.



Services Secretary Mike Leavitt, in a letter to lawmakers, said it "puts billions of dollars of federal funds at risk, and may turn back progress that has already been made to stop abusive state practices."

But the proposed changes have met opposition from states, health care providers and advocates for poor who say they will shift costs from the federal government to the states and create new hardships for the needy.

"Some of these regulations already have become effective and current state estimates of the impact could be as high as four times the administration's \$13 billion estimate," National Governors Association chairman Tim Pawlenty, R-Minn., and other governors wrote lawmakers this month. Timely action to impose the one-year moratorium was "critical to avert significant disruptions in coverage for vulnerable populations," they wrote.

The proposed rules would affect programs involving payment to public safety-net institutions, rehabilitation services for people with disabilities, coverage of hospital clinical services, graduate medical education payments and specialized medical transportation to school for children covered by Medicaid.

[Rep. Joe Barton](#) of Texas, top Republican on the Energy and Commerce Committee, voiced support for the legislation while noting that not all of the rules were bad. He said the administration was right in trying to address the "shell game" of intergovernmental transfers, where states put up money to receive a federal match but then spend that money for purposes other than health care.

Delaying the rules changes until next year would cost about \$1.6 billion. The legislation would make up that revenue loss through improved verification of the financial assets of Medicaid applicants and participants and by borrowing from a reserve fund set up to help pay for fixes to physicians' reimbursement rates.

In 2007, some 48 million people participated in Medicaid programs. The total cost was about \$352 billion, with the federal government paying almost \$200 billion and states providing the rest.

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The bill is H.R. 5613

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On the Net:

Congress: <http://thomas.loc.gov/>

(This version CORRECTS Pawlenty is Republican in 12th paragraph.)

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