

# House Passes Bill Averting Cut in Medicare Reimbursements

*December 10, 2010 | New York Times Digital*

WASHINGTON -- The House gave final approval on Thursday to a bill that would avert a 25 percent cut in Medicare payments to doctors by freezing reimbursement rates at current levels until the end of next year.

The bill goes now to President Obama, who hailed the action by Congress and promised to sign the legislation.

The House vote was 409 to 2. The Senate approved the measure by unanimous consent on Wednesday.

AARP, the lobby for older Americans, had pushed for the legislation, saying it was needed to ensure that Medicare beneficiaries could continue seeing the doctors who care for them.

Many doctors had said they would limit the number of their Medicare patients if payments were cut on Jan. 1 under a statutory formula established by Congress.

Doctors had sought a small increase in Medicare payments, to reflect their rising costs. Still, the American Medical Association thanked Congress for approving the legislation with a one-year delay in the reimbursement cut.

Dr. Cecil B. Wilson, president of the association, said doctors had "spent this year in limbo" because of uncertainty about Medicare payments.

The Congressional Budget Office said that because of the reimbursement freeze, Medicare will spend \$15 billion more than it would have if the cuts had occurred.

The cost will be offset by changing a provision of the new health care law that offers subsidies to lower-income people to help them buy health insurance, starting in 2014. The bill allows the government to recoup more of any overpayments that people might receive if they misstate their income or earn more than they expect in a given year.

Under the law, the repayment is limited to \$250 a year for an individual and \$400 for a family. Under the bill, the limits would be linked to a person's income and could be as high as \$1,750 for an individual and \$3,500 for a family.

The bill also allows children's hospitals to regain access to significant discounts on costly drugs prescribed for the treatment of rare diseases and disorders. Under the new health care law,

children's hospitals lost access to the discounts they had on such products, known as orphan drugs.

Representative Henry A. Waxman, Democrat of California and chairman of the Energy and Commerce Committee, blamed an error in the health care law for the loss of access.

Ted Slafsky, the executive director of Safety Net Hospitals for Pharmaceutical Access, a nonprofit group, welcomed the action by Congress. And he urged lawmakers to allow rural hospitals and free-standing cancer hospitals to obtain the same discounts.