

1. Senate Fails to Pass Critical Hurdle for Medicare Legislation

Despite the enthusiastic support of many national aging organizations, S. 3101, introduced by Senate Finance Committee Chairman Baucus (D-MT) failed to pass a motion for cloture on June 12. The [Medicare Improvements for Patients and Providers Act](#) included provisions to address serious, long-standing Medicare problems faced by millions of seniors on fixed incomes struggling every day with rapidly rising Medicare, food, and gasoline costs.

To end debate on the bill and move to a full Senate vote, the bill needed 60 votes. In the 54-39 final tally, the bill had the support of all Democrats present and Sens. Snowe (R-ME) and Smith (R-OR), who were original co-sponsors of the legislation. Also joining them were Republican Sens. Coleman (MN), Specter (PA), Collins (ME), Dole (NC), Stevens (AK), Roberts (KS), and Murkowski (AK). NCOA encourages you to call or e-mail your appreciation to the Republican senators who supported this legislation.

NCOA opposes the alternative bill introduced this week by Sen. Grassley (R-IA), the *Preserving Access to Medicare Act*. The Grassley proposal fails to include the provisions in the Baucus bill that NCOA has been recommending would enhance access to mental health and preventive services, and improve low-income protections against rising Medicare costs, such as:

- (1) increasing the asset eligibility level for Medicare Savings Programs (MSPs), which have not been adjusted for inflation in over 20 years;
- (2) eliminating the Medicare Prescription Drug Low-Income Subsidy (LIS) late enrollment premium penalty;
- (3) simplifying the LIS application form by eliminating burdensome, unnecessary questions on the cash surrender value of life insurance, and in-kind support and maintenance (which can include the value of food, assistance with rent, electricity, and water bills, and help with prescription drugs given to the beneficiary by a third party);
- (4) eliminating MSP estate recovery; and
- (5) translating the MSP model application form into other languages.

Several senators who opposed the Baucus bill argued that the improvements for poor seniors were fiscally irresponsible, yet supported increased payments to physicians. However, the physician payment fix would cost Medicare more than five times more than the modest improvements for the nation's most vulnerable seniors (\$9.2 billion vs. \$1.7 billion over five years). In addition, increasing payments to doctors would increase Medicare premiums even more for all beneficiaries. NCOA supports fixing the physician payment problem, but strongly believes that Congress cannot ignore vulnerable seniors.

In our view, senators who opposed helping poor seniors are out of touch with their constituents' views. A recent [Harris poll](#) conducted by NCOA found that 89 percent of Americans (including 80 percent of Republicans) believe that improving programs to protect poor seniors against rising Medicare costs should be a top priority for Congress this year.

Senate leaders now will negotiate on a smaller Medicare package. As this process moves forward, we urge Senate leaders to retain the modest yet critical improvements for America's most vulnerable seniors in the new Medicare package that will likely move forward quickly.

- Read [NCOA's statement](#) on the Senate's action on S. 3101.
- Read the Leadership Council of Aging Organizations [letter](#) in support of S. 3101.
- Find [contact information](#) for your senators.

2. Congress Adopts Budget Plan for Upcoming Fiscal Year

Congress has adopted its budget for Fiscal Year 2009, which begins Oct. 1. The budget is not a law and does not go to the president, but it does provide a broad framework within which actual appropriations must be made. The adopted budget is about \$25 billion above President Bush's proposal (less than one percent of the \$3 trillion total), with most of that increase allocated to domestic discretionary programs.

The House Appropriations Committee now begins work on the 12 regular appropriations bills that cover all discretionary spending. Chairman David Obey (D-WI) projects markups to be completed in both subcommittee and full committee by June 26 for 10 of the 12 bills, with the remaining two to be completed in July. He may have a difficult time sticking to that ambitious schedule. The subcommittee on Labor-HHS-Education, where Older Americans Act spending is lodged, is projected to mark up on June 19. The Senate appropriations schedule is almost as ambitious as the House, with markup in the subcommittee on Labor-HHS-Education projected for late June.

No dates have been announced for House or Senate floor action, and many observers believe there will be no floor votes on appropriations bills this year. They expect that Congress--irked by threats of presidential vetoes--will wait until a new president takes office next January before attempting to move appropriations bills. In the meantime, the federal government would be funded through continuing resolutions.

The budget includes estimates about how much will be spent for entitlement programs -- such as Medicare, Medicaid, Social Security, and food stamps -- but spending on those programs is not subject to the same legislative process as annual appropriations.

- [Contact your lawmakers](#) by e-mail and urge them to support an increase in Older Americans Act funding. We have drafted the e-mail for you -- all you need to do is add your contact information.

- [Learn more](#) about the budget process.

3. Report Examines Nursing Home Diversion Program

The National Senior Citizens Law Center recently issued a report entitled *The Administration on Aging's Nursing Home Diversion Program*, which provides a description of the national aging services network's role in long-term care.

- [Read](#) the report.

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