

Pelosi Decides to Move SCHIP Without Specialty Hospital Restrictions

By: Stephen Langel

CongressNow Staff

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Speaker Nancy Pelosi (D-Calif.) has agreed to move forward with Senate children's health care legislation, despite the fact that this bill does not include a House restriction on Medicare reimbursements to physician-owned hospitals, a House Democratic aide said.

As of Thursday night, the Speaker had not decided whether to adopt the Senate's just-passed version of the State Children's Health Insurance Program legislation, as originally expected, or the House language. This uncertainty prompted the Senate to name conferees in anticipation of a conference between the chambers. But this evening the House scheduled a Rules Committee hearing for next week to adopt the Senate SCHIP bill (S.2).

At issue was whether specialty-owned hospitals could continue to receive Medicare reimbursements. The issue is important to some of the more liberal Members of the House, including Reps. Pete Stark (D-Calif.), chairman of the House Ways and Means Subcommittee on Health, and Lloyd Doggett (D-Texas). Both want to end the practice.

However, this position put them at odds with numerous lawmakers, including a key Senator, Tom Coburn (R-Okla.), who has no qualms about blocking legislation that he disagrees with. Coburn, who is also a physician, has long opposed the specialty hospital provision and has previously referred to such language as a "deal breaker" if included in legislation.

Broadly, the bill would extend SCHIP for four and a half years and fund the program through an increase in tobacco taxes. It also would extend SCHIP eligibility to those living at up to 300 percent above the poverty level. SCHIP was established in 1997 to provide health care to children from low-income families who are not eligible for Medicaid.

The Senate agreed to the bill, 66-32, after the House agreed to its version, 289-139, earlier in January.

Question of Specialty Hospitals Hampering Progress on SCHIP

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While both the House and the Senate have easily passed legislation to reauthorize and expand the State Children's Health Insurance Program,

the question of whether to keep or remove language that restricts Medicare reimbursements for physician-owned hospitals is slowing the bill's path to the president's desk, sources said today.

Speaker Nancy Pelosi (D-Calif.) has yet to decide whether to adopt the Senate-passed bill wholesale, as was originally expected, or enter into conference with the Senate.

Earlier on Thursday, House Majority Leader Steny Hoyer (D-Md.) had announced that the House would adopt the Senate language next week. But the question over whether to keep the language that restricts reimbursements to physician-owned, or specialty, hospitals — which was inserted by the House, but not included by the Senate — is giving the Speaker pause about how to move forward, sources on and off Capitol Hill told CongressNow.

Pelosi is now deciding whether to battle to keep this provision in conference. The Senate already named conferees late Thursday as a precaution. The conferees are Sens. Max Baucus (D-Mont.), Kent Conrad (D-N.D.), Chuck Grassley (R-Iowa), Orrin Hatch (R-Utah) and Jay Rockefeller (D-W.Va.).

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