

[Senate Committee Discusses Cutting MA Plan Payments To Prevent Physician Payment Cut](#)

[Senate Finance Committee](#) Chair Max Baucus (D-Mont.) at a committee meeting on Wednesday outlined a \$30 billion Medicare package that could prevent a scheduled 10% Medicare physician reimbursement rate cut and provide subsidies for rural and low-income seniors, *CongressDaily* reports (Johnson, *CongressDaily*, 10/18). Committee members discussed cuts to Medicare Advantage plan payments as a way of funding the physician payment fix, but "there appears to be considerable resistance on the committee to cutting deeply," [CQ HealthBeat](#) reports (Reichard, *CQ HealthBeat*, 10/17).

MA plans on average are paid 12% more than traditional Medicare, and some private fee-for-service plans are paid at twice the rate as traditional Medicare, according to *CongressDaily*. Baucus said there is going to be "some strong examination" of MA plans. Sen. Maria Cantwell (D-Wash.) said, "I think the fee-for-service area is a good area to look at" (*CongressDaily*, 10/18). However, Sen. Gordon Smith (R-Ore.) said, "There may be some trimming, but the general proposition is Medicare Advantage has taken hold, and it is the basis by which rural people get Medicare."

The committee was unsure whether the payment cut reversal would cover one year or two years, due to funding uncertainties, according to *CQ HealthBeat*. Lobbyists estimate it will cost about \$20 billion to block the payment cuts for two years (Reichard, *CQ HealthBeat*, 10/17). The committee also is discussing possible cuts to specialty hospitals, oxygen and wheelchairs, according to lobbying and congressional sources.

Baucus would like to mark up Medicare provisions this month, but Sen. Trent Lott (R-Miss.) said that would be unlikely, adding that the committee is "just exchanging ideas at this point" (*CongressDaily*, 10/18).