



NEWS from U.S. Senator Bob Dole

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TALMADGE-DOLE MEDICARE-MEDICAID REFORM POSES ALTERNATIVE TO COST CONTAINMENT

WASHINGTON -- Sen. Bob Dole (R-Kan.) said today that the Talmadge-Dole Medicare-Medicaid Reimbursement Reform Legislation introduced today represents a "responsible alternative" to the President's cost containment plan.

The bill addresses Medicare-Medicaid administrative and reimbursement procedures in three major areas: hospital reimbursement, practitioner reimbursement, and long-term care.

"Medicare recipients continue to face rapid increases in out-of-pocket costs and Medicaid beneficiaries continue to see curtailment of services initially provided to them," Dole said in a floor statement. "Most individuals today do not need to be confronted with facts and figures to tell them that it is simply costing them more to obtain adequate health care.

"But the Talmadge-Dole legislation demonstrates a recognition that the delivery system itself is not completely responsible for generating inflationary pressures for the cost of health care. Rising labor and supply costs, the need to constantly upgrade equipment and facilities, skyrocketing malpractice premiums, and compliance with a proliferation of new regulations have all played a part in the dilemma we have managed to reach today."

The new method of reimbursement for routine operating costs for hospitals would be markedly improved by the incentive system this bill creates, Dole said. It also simplifies the procedures for practitioner reimbursement and encourages the most appropriate management of patients who require long-term care. If there are savings to be realized from increased efficiency in federal program administration, then the provisions of this bill are designed to bring them about while maintaining a realistic view of changes which providers are and are not able to make, he said.

"The complexities of this situation have apparently continued to go unnoticed by the Administration, which has sent the Congress a budget with estimated savings in the Medicare-Medicaid programs of \$1.8 billion for Fiscal Year 1980," Dole added. "These savings, based on the cost containment program, remain unrealistic. Placing an arbitrary cap on revenue increases ignores the fact that price increases in goods and services hospitals must purchase must inevitably be reflected in their costs."