

STATEMENT OF
SENATOR BOB DOLE

AARP PRESS CONFERENCE
SEPTEMBER 12, 1984

I AM HERE TODAY TO SUPPORT A PROGRAM WHICH THE SENATE FINANCE COMMITTEE CONSIDERED AND INCORPORATED INTO LEGISLATION WHICH BECAME THE DEFICIT REDUCTION ACT OF 1984. AS I HOPE ALL OF YOU KNOW, THE FINANCE COMMITTEE HAS ALWAYS SOUGHT A BALANCED APPROACH WHEN CONSIDERING SPENDING REDUCTIONS FOR THE MEDICARE PROGRAM. BALANCED IN THAT WE HAVE ATTEMPTED TO DISTRIBUTE THE BURDEN OF ANY SAVINGS REDUCTIONS AMONG ALL PARTIES TO THE PROGRAM: HOSPITALS, PHYSICIANS, AND BENEFICIARIES. IN DOING THAT, WE HAVE BEEN SOMEWHAT SUCCESSFUL. FOR HOSPITALS, WE HAVE CREATED A PROSPECTIVE PAYMENT SYSTEM WHICH PROVIDES INCENTIVES FOR EFFICIENCY AND LOWER COSTS. BECAUSE WE RECOGNIZE THAT MEDICARE PATIENTS, ALONG WITH OTHER PATIENTS, SHOULD BE AWARE OF THE COST OF THEIR CARE, BENEFICIARY COST SHARING HAS BEEN USED WHERE WE FELT IT WOULD NOT STAND IN THE WAY OF A PATIENT GETTING NEEDED CARE.

UNTIL THE DEFICIT REDUCTION ACT OF 1984, WE HAD NOT, HOWEVER, BEEN ENTIRELY SUCCESSFUL WITH SPENDING REDUCTIONS INVOLVING PHYSICIAN SERVICES. THE REASON FOR THAT IS SIMPLE. WE WERE CONCERNED THAT ANY ATTEMPT TO LIMIT SPENDING FOR PHYSICIAN SERVICES WOULD RESULT IN INCREASED COSTS FOR THE ELDERLY. IN OUR RECENT EFFORTS TO REDUCE THE DEFICIT, THE FINANCE COMMITTEE SOUGHT TO OFFSET THAT COST-SHIFTING POTENTIAL WHEN IT INCLUDED

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PHYSICIANS' SERVICES IN ITS SPENDING REDUCTION RECOMMENDATIONS. WE HOPED TO DO THAT BY CREATING A PARTICIPATING PHYSICIAN PROGRAM AND BY PROVIDING MORE INFORMATION TO PROGRAM BENEFICIARIES.

THE SAVINGS REDUCTION WAS TO BE ACHIEVED BY FREEZING THE AMOUNT THE MEDICARE PROGRAM WOULD PAY FOR PHYSICIAN SERVICES FOR ONE YEAR, AND THEN EXTENDING THE FREEZE FOR AN ADDITIONAL YEAR FOR THOSE PHYSICIANS WHO DID NOT AGREE TO ACCEPT ASSIGNMENT FOR ALL THEIR MEDICARE PATIENTS BY BECOMING A PARTICIPATING PHYSICIAN.

PARTICIPATING PHYSICIANS VOLUNTARILY AND FORMALLY AGREE TO ACCEPT WHAT MEDICARE ALLOWS AS PAYMENT IN FULL FOR ALL COVERED SERVICES RENDERED TO THEIR PATIENTS. THE ADVANTAGE OF SUCH AN ARRANGEMENT IS THAT BENEFICIARIES KNOW IN ADVANCE THAT A PHYSICIAN TAKES ASSIGNMENT AND THEY WOULD THEREFORE NOT BE LIABLE FOR CHARGES IN EXCESS OF THOSE ALLOWED BY THE PROGRAM. TO BETTER INFORM BENEFICIARIES AS TO WHICH PHYSICIANS TAKE ASSIGNMENT, THE SECRETARY IS REQUIRED TO PUBLISH LISTS WHICH INDICATE THE ASSIGNMENT EXPERIENCE FOR EACH PHYSICIAN. IN ADDITION, A DIRECTORY MUST BE PUBLISHED LISTING ONLY THOSE PHYSICIANS WILLING TO ACCEPT ASSIGNMENT FOR ALL THEIR CASES. BY MAKING THIS INFORMATION AVAILABLE, BENEFICIARIES WOULD BE BETTER ABLE TO SELECT PHYSICIANS WHO TAKE ASSIGNMENT.

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THE MEDICARE LAW NOW INCLUDES THE PARTICIPATING PHYSICIAN PROGRAM, BUT THE FORM IN WHICH THE FINANCE COMMITTEE'S PHYSICIAN FEE FREEZE PROVISION FINALLY BECAME LAW IS SOMEWHAT DIFFERENT. LIKE MY COLLEAGUES IN THE SENATE, MEMBERS OF THE HOUSE OF REPRESENTATIVES WERE CONCERNED THAT PHYSICIANS WOULD SIMPLY PASS ON TO PROGRAM BENEFICIARIES THE IMPACT OF THE FEE FREEZE. AS A RESULT, SOME LONG AND DIFFICULT NEGOTIATIONS WERE UNDERTAKEN. THE RESULT WAS A COMPROMISE WHICH PRODUCES THE SAVINGS SO ESSENTIAL TO OUR EFFORTS TO REDUCE THE FEDERAL DEFICIT, AND, I BELIEVE, ADDRESSES THE CONCERNS OF BOTH THE PHYSICIAN COMMUNITY AND THIS NATION'S ELDERLY.

I BELIEVE THE OUTCOME OF THOSE NEGOTIATIONS WAS A PROVISION WHICH, IF WE ALL WORK TOGETHER, GOES A LONG WAY TOWARD MEETING EVERYBODY'S NEEDS; THOSE OF THE MEDICARE PROGRAM, THE ELDERLY AND DISABLED WHO ARE BENEFICIARIES OF THAT PROGRAM, AND THE PHYSICIANS WHO PROVIDE THEIR CARE. I BELIEVE WE OWE A NOTE OF THANKS TO THE PHYSICIAN COMMUNITY. THEIR ASSISTANCE IN THE PAST HAS BEEN OF TREMENDOUS VALUE TO US, AND I WOULD HOPE THAT WE CAN CONTINUE TO BE FORTHRIGHT WITH EACH OTHER ABOUT OUR CONCERNS AND OUR SHARED GOAL OF MAINTAINING QUALITY CARE FOR ALL CITIZENS.

I BELIEVE WE SHOULD DO EVERYTHING POSSIBLE TO MAKE THE PARTICIPATING PHYSICIAN PROGRAM WORK; IT IS THE RESULT OF A GOOD FAITH EFFORT ON OUR PART IN CONGRESS TO ADDRESS REAL CONCERNS. I WOULD HOPE TO SEE THAT GOOD FAITH EFFORT CONTINUED BY EVERYONE

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CONCERNED ABOUT RISING HEALTH CARE COSTS AND ADEQUATE ACCESS TO
QUALITY CARE FOR ALL AMERICANS, PARTICULARLY OUR ELDERLY
CITIZENS.

THANK YOU.