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Bipartisan Fiscal Commission Holds First Meeting

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On April 27, the National Commission on Fiscal Responsibility and Reform held its first meeting, officially launching its effort to develop recommendations for addressing the medium-term and long-term fiscal challenges facing the federal government.

President Obama met with the commission before it began its work. Addressing reporters after this meeting, the President emphasized that “everything has to be on the table” and that he wants the commission to be free to do its work without him commenting about what should or should not be included in their recommendations.

Guest speakers at the commission meeting included Federal Reserve Chairman Ben Bernanke, OMB Director Peter Orszag, and former CBO directors Robert Reischauer and Rudolph Penner. All four guest speakers emphasized that federal health care spending – particularly in the Medicare and Medicaid programs – is a major issue that needs to be addressed to achieve long-term fiscal sustainability.

Members of the commission, 12 of whom are either senators or House members, highlighted their priorities in their opening statements. Senate Finance Committee Chairman Max Baucus (D-MT) suggested that the commission should focus on “the tax gap, the spending gap and the productivity gap.” He explained that the tax gap refers to the amount of taxes that are legally owed to the federal government, but not collected in a timely manner. The spending gap refers to fraud, waste and errors in federal spending, and the productivity gap refers to technology and efficiencies successfully employed by the private sector that could be put to use in the federal government.

Rep. Dave Camp (R-MI), ranking Republican member of the House Ways and Means Committee, suggested that the commission needs to make tough choices to restore the federal budget to past levels of spending and revenue that are consistent with robust economic growth. He also pointed to the CMS Chief Actuary’s recent finding that the new health reform law would increase national health spending, and he asked whether this would be “on the table” as the commission moves forward.



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Senate Budget Committee Chairman Kent Conrad (D-ND) said he hopes that “none of us will take things off the table prematurely because I think it’s clear it’s going to take dramatic changes on the spending side of the ledger and it’s going to take changes on the revenue side of the ledger.” He cautioned that the dollar will collapse, interest rates will skyrocket, and economic growth will be badly impaired if the nation does not find the will to bring the debt under control.

Rep. Paul Ryan (R-WI), ranking Republican member of the House Budget Committee, said that “spending is the culprit” and that “mathematically speaking, you literally cannot tax your way out of this problem.” While stating that “health care is the biggest part of this,” Ryan expressed concern that the new health reform law creates a new entitlement program and increases the size of Medicaid by one-third.

The co-chairs of the commission – Erskine Bowles (D) who served as White House Chief of Staff in the Clinton Administration and former Wyoming Senator Alan Simpson (R) – emphasized the importance of educating the American people about the tough choices facing policymakers and the far-reaching changes that are needed to address the nation’s fiscal challenges.

The commission is planning to meet on a monthly basis, with the next meeting scheduled for May 26, although subgroups are expected to meet on a more frequent basis. December 1, 2010 is the deadline by which the commission is charged with producing a report that provides recommendations for improving the nation’s fiscal situation in the medium term and achieving fiscal sustainability on a long-term basis. The commission’s report must be approved by at least 14 of the commission’s 18 members.

House Subcommittee Plans Hearing on Transparency Bills

The House Energy and Commerce Subcommittee on Health is planning to hold a hearing on May 6 to examine proposals aimed at improving transparency for health care consumers.

The hearing will focus on the following bills:

- H.R. 4700, the “Transparency in All Health Care Pricing Act,” would establish requirements for the disclosure of price information by health



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- insurance plans, hospitals, physicians, nurses, pharmacies, pharmaceutical manufacturers, dentists, and any other health care related providers or issuers.
- H.R. 2249, the “Health Care Price Transparency Promotion Act,” would require states, as a condition of participating in Medicaid, to establish laws for the disclosure of information on hospital charges, to make such information available to the public, and to provide individuals with information about estimated out-of-pocket costs for health care services. The bill also would direct the Agency for Healthcare Research and Quality to research and report to Congress on: (1) the types of price information that individuals find useful in making health care decisions; (2) how the price information valued by consumers varies based on whether they have health coverage and what kind of coverage they have; and (3) ways in which price information may be made available on a timely basis and in an easy-to-understand form to individuals facing health care decisions.
 - H.R. 4803, the “Patients’ Right to Know Act,” would require health insurance plans to make available to enrollees and potential enrollees specified information, including covered items and services, a list of limitations and restrictions, the number of participating providers according to specialty type, information on cost-sharing, a description of the claims appeal process, and other information. It also establishes requirements addressing advance notice of plan changes and disclosure of reimbursement arrangements to providers.

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