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Obama Panel to Curb Medicare Finds Foes in Both Parties

By ROBERT PEAR

WASHINGTON — Democrats and Republicans are joining to oppose one of the most important features of [President Obama's](#) new deficit reduction plan, a powerful independent board that could make sweeping cuts in the growth of [Medicare](#) spending.

Mr. Obama wants to expand the power of the 15-member panel, which was created by the new health care law, to rein in Medicare costs.

But not only do Republicans and some Democrats oppose increasing the power of the board, they also want to eliminate it altogether. Opponents fear that the panel, known as the Independent Payment Advisory Board, would usurp Congressional spending power over one of the government's most important and expensive social programs.

Under the law, spending cuts recommended by the presidentially appointed panel would take effect automatically unless Congress voted to block or change them. In general, federal courts could not review actions to carry out the board's recommendations. The impact of the board's decisions could be magnified because private insurers often use Medicare rates as a guide or a benchmark in paying doctors, hospitals and other providers.

Last week, in his speech on deficit reduction, Mr. Obama said he wanted to beef up the board's cost-cutting powers in unspecified ways should the growth of Medicare spending exceed certain goals. Supporters say the board will be able to make tough decisions because it will be largely insulated from legislative politics.

Lawmakers do not agree. Representative [Paul D. Ryan](#), Republican of Wisconsin and chairman of the House Budget Committee, called it "a rationing board" and said Congress should not "delegate Medicare decision-

making to 15 people appointed by the president.” He said Mr. Obama’s proposal would allow the board to “impose more price controls and more limitations on providers, which will end up cutting services to seniors.”

Senator **John Cornyn**, a Texas Republican who introduced a bill last month to repeal the Medicare board, said the president’s proposal “punts difficult decisions on health spending to an unelected, unaccountable board of bureaucrats.”

Representative Allyson Y. Schwartz, a Pennsylvania Democrat prominent on health care issues, said: “It’s our constitutional duty, as members of Congress, to take responsibility for Medicare and not turn decisions over to a board. Abdicating this responsibility, whether to insurance companies or to an unelected commission, undermines our ability to represent our constituents, including seniors and the disabled.”

Ms. Schwartz signed up on Friday as co-sponsor of a bill to repeal the board.

The purpose of the panel, according to the health care law, is to reduce the rate of growth in Medicare spending per beneficiary. The law sets annual goals — “target growth rates” — for Medicare spending below the average of the last 15 years.

Board members will be subject to Senate confirmation — no easy feat in the current political climate. Terms are six years. Members can serve no more than two full consecutive terms. The White House has yet to submit any nominations for the board.

“Why have legislators?” asked Representative Pete Stark of California, the senior Democrat on the Ways and Means Subcommittee on Health.

In some ways, Mr. Stark said, expanding the power of the board could be as bad as giving vouchers to Medicare beneficiaries to buy private insurance. “In theory at least, you could set the vouchers at an adequate level,” he said. “But, in its effort to limit the growth of Medicare spending, the board is likely to set inadequate payment rates for health care providers, which could endanger patient care.”

Representative Shelley Berkley, Democrat of Nevada, said she wanted to repeal the Medicare board. “I have great faith that this administration can put together a strong, independent and knowledgeable board,” Ms. Berkley said, but she said she had less confidence in future administrations.

Mark Parkinson, president of the American Health Care Association, which represents nursing homes, said his members disliked the board because it would allow Congress and the president to “subcontract out

difficult decisions.”

Still, the idea of a more potent Medicare board could be a live option if the White House insisted on it in budget negotiations with Congress.

Mr. Obama said last week that he would “reduce wasteful subsidies and erroneous payments,” cut spending on prescription drugs and take other steps to save \$500 billion in Medicare and Medicaid by 2023. “But if we’re wrong and Medicare costs rise faster than we expect,” he said, the Medicare board would have “the authority to make additional savings by further improving Medicare.”

The president’s proposal would set stricter goals for Medicare spending and establish some type of automatic cost-cutting device as an “enforcement mechanism,” but Mr. Obama did not say exactly how it would work.

Kathleen Sebelius, the secretary of health and human services, described the board as a backstop to “ensure that health costs are reduced.” The board might not have to take action if the president’s other proposals slow the growth of Medicare spending, she said.

The board grew out of proposals by Mr. Obama and Senator John D. Rockefeller IV, Democrat of West Virginia.

“Medicare payment policy should be determined by experts, using evidence, not by the undue influence of special interests,” Mr. Rockefeller said.

AARP, the American Medical Association and the American Hospital Association voiced concern about the president’s latest proposal.

“Relying on arbitrary spending targets is not a good way to make health policy, especially when decisions may be left to the unelected and unaccountable,” said A. Barry Rand, chief executive of AARP, the lobby for older Americans.

Under the law, the board cannot make recommendations to “ration health care,” raise revenues or increase beneficiaries’ premiums, deductibles or co-payments. This increases the likelihood that the board will try to save money by trimming Medicare payments to health care providers.



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