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Senator Tries to Allay Fears on Health Overhaul

By [ROBERT PEAR](#)

WASHINGTON — Senator Bill Nelson of Florida desperately wants to expand [health insurance](#) coverage because one in five Floridians is uninsured. As a former state insurance commissioner, he wants to crack down on insurers. And as a member of the Senate Finance Committee, he can shape legislation to achieve both goals.

But Mr. Nelson, a Democrat, has a big problem. The bill taken up this week by the committee would cut [Medicare](#) payments to insurance companies that care for more than 10 million older Americans, including nearly one million in Florida. The program, known as Medicare Advantage, is popular because it offers extra benefits, including vision and [dental care](#) and even, in some cases, membership in [health clubs](#) or fitness centers.

“It would be intolerable to ask senior citizens to give up substantial health benefits they are enjoying under Medicare,” said Mr. Nelson, who has been deluged with calls and complaints from constituents. “I am offering an amendment to shield seniors from those benefit cuts.”

Similar concerns exploded into public view on Wednesday as members of the Finance Committee slogged through a mammoth health care overhaul bill for a second day.

To help offset the cost of covering the uninsured, the Senate and House bills would squeeze roughly \$400 billion to \$500 billion out of the projected growth in Medicare over 10 years.

Republicans on Wednesday accused Democrats of using Medicare as a piggy bank to pay for coverage of the uninsured. Democrats countered by saying they were eliminating overpayments to insurance companies and extending the life of the Medicare trust fund, which could run out of money in 2017.

Senator Nelson said Republicans were waging a “scare campaign,” but he shares some of their concerns. His predicament highlights the political risks for Democrats eager to reassure older Americans who vote in large numbers.

There are risks for [President Obama](#) as well. He cannot afford to lose Mr. Nelson’s vote. White House officials have offered to work with him to address his concerns. Mr. Obama has said repeatedly that “if you like your health care plan, you will be able to keep it.”

The cost of Mr. Nelson’s proposed fix — to preserve benefits for many people enrolled in the private Medicare plans — could total \$40 billion over 10 years, and that could also be a problem for the White House. Mr. Obama has promised not to sign a health bill that increases the deficit, and so far Mr. Nelson has not said precisely how he would pay for his amendment.

Approval of the amendment could invite other Democrats to ask for similar deals that might make the bill more palatable to their constituents, but more costly as well.

The legislation moving through Congress would make other huge changes in Medicare — raising premiums for some higher-income beneficiaries, cutting payments to [hospitals](#) and [nursing homes](#), and trimming payments for many “overvalued services” provided by doctors. The legislation includes provisions to measure the quality of care provided by doctors and hospitals and to reward those who cure patients or keep them healthy.

“It’s disingenuous to say that Congress can cut this much spending from Medicare without having an adverse affect on seniors’ access to health care,” said [Jon Kyl](#) of Arizona, the No. 2 Republican in the Senate. “Seniors should not foot the bill for the uninsured. Medicare should not be the piggy bank for new non-Medicare spending, a new entitlement.”

But the committee chairman, Senator [Max Baucus](#), Democrat of Montana, said no money would actually be taken out of the Medicare trust fund.

“It’s true that, under this legislation, there are savings in Medicare payments to providers,” Mr. Baucus said. “But the effect is to extend the life of the Medicare trust fund by four or five years. We are improving Medicare benefits, decreasing prescription drug costs for seniors and eliminating out-of-pocket costs for recommended preventive care.”

Mr. Nelson said he had received 56,000 telephone calls, letters and e-mail messages on the legislation since June.

Some of those callers have been mobilized by insurance companies.

Humana, one of the nation’s largest insurers, has urged subscribers to contact their members of Congress and register their opposition to the cuts. “Millions of seniors and disabled individuals could lose many of the important benefits and services that make Medicare Advantage health plans so valuable,” Humana said in a recent letter to beneficiaries.

On Monday, the Obama administration told Humana to “end immediately all such mailings to beneficiaries.” It said the materials were “misleading and confusing.” Insurers have contracts with Medicare, and under Medicare rules, many of their communications with beneficiaries need to be submitted to the government for review, administration officials said.

The Senate Republican leader, [Mitch McConnell](#) of Kentucky, said the administration was trying to “squelch free speech” by Humana, which is based in Louisville. But Senator [Debbie Stabenow](#), Democrat of Michigan, said Humana had “scared a lot of seniors unnecessarily.”

The Medicare Payment Advisory Commission, an independent federal body, says payments to the private plans are, on average, 14 percent higher than what the government would spend for the same people in traditional Medicare.

Mr. Baucus’s bill would cut payments to Medicare Advantage plans by \$123 billion over 10 years. Under a

companion bill approved by three House committees, the cuts would total \$156 billion. Mr. Obama proposed cuts totaling \$175 billion. Insurers, he said, are getting “unwarranted subsidies” that “pad their profits but don’t improve the care of seniors.”

Mr. Baucus and House Democrats would save nearly \$200 billion over 10 years by permanently reducing annual inflation adjustments in Medicare payments to hospitals and other providers. They would also cut special Medicare payments to hospitals serving large numbers of low-income people, on the assumption that more patients will have insurance.

Some of the Democrats’ other proposals have drawn fire from groups that support the overall push for a health care overhaul.

[AARP](#), the lobby for older Americans, objects to the proposal that could increase premiums for some beneficiaries. In 2003, Congress stipulated that any Medicare beneficiaries with more than \$80,000 of income would have to pay higher premiums. The income threshold rises with the [Consumer Price Index](#).

Senator Baucus has proposed freezing the current income threshold for 10 years. That would raise \$23 billion, as more people would have to pay the higher premiums.

David M. Certner, legislative counsel at AARP, said, “It’s unfair to single out seniors to pay more for their health benefits when other high-income people are not being asked to pay more.”

Throughout it all, Mr. Nelson said he would remember advice he once received from Claude Pepper, a Florida congressman and champion for the elderly: “Bill, I want you to look out for our seniors. Someone has to look out for them.”

Sheryl Gay Stolberg contributed reporting.

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