

WASHINGTON, Friday, June 30 — The House last night passed a resolution sponsored by U.S. Rep. Brian Bilbray (R-CA) and co-sponsored by U.S. Reps. Heather Wilson (R-NM) and Spencer Bachus (R-AL) calling on Congress to increase Medicare reimbursement funding for hospitals as soon as a mid-year estimate of the nation's budget surplus is completed.

That estimate is expected to show the surplus will be at least \$1 trillion higher over the next 10 years than budget forecasters had predicted. The legislation is designed to increase Medicare payments to hospitals, nursing homes and other health care providers suffering from higher-than-expected reductions in Medicare reimbursements under the 1997 Balanced Budget Act.

"Our hospitals in Alabama are hurting," said Bachus. "70 percent are operating in the red and 14 are predicted to run out of money this year and could close. Improving the financial health of our hospitals is crucial to maintaining the quality of health care we've all come to expect.

"There is a bottom line to this discussion: when you or a loved one is seriously ill, only the very best medical care is good enough," Bachus said in a speech on the floor of the House. "We must not fail to provide sufficient funding to assure such care is reasonably available to all. American medical care is an honest and undeniable bargain by any measure. Its true cost is not measured in dollars and cents alone, but also in the health and well-being of all our people.

"According to the Congressional Budget Office, the actual reductions brought about by the Balanced Budget Act – and by restrictive interpretations of that act by HCFA – are \$124 billion more than Congress voted for. Our fiscal overachievements and HCFA's overzealousness are having unintentional and disproportionately negative effects on our health care delivery system," said Bachus.

Congress acted last year to restore \$16 billion in funding for hospitals, nursing homes and other providers in legislation co-sponsored by Bachus.

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Remarks of Congressman Spencer Bachus during consideration of House Resolution 535

Mr. Speaker,

Achieving a balanced budget has long been a Republican economic objective. And it is a good one. We can credit our current, strong, vibrant economy to our fiscal discipline. But damaging our healthcare system was never our intent in passing the Balanced Budget Act. It was the intent of Congress to slow the growth of Medicare to a manageable 5%...however in 1999 it was actually negative 1%!

The Congressional Budget office now reports that Medicare reductions achieved through the Balanced Budget Act are \$124 Billion (that's billion with a B) larger than Congress actually voted for. We must recognize this shortfall, and remedy it immediately.

Our hospitals are experiencing increasingly smaller profit margins, and we should all realize that this threatens to diminish the quality of care they provide. Credible sources report these margins are currently at their lowest point in years. And some valid, responsible authorities are projecting that within four years over half of our nations' hospitals will actually be losing money.

In my home state, studies are projecting that 70% of Alabama's hospitals will be running in the red by the end of this year, and several could close. We cannot stand back, let this happen and call it an unintended consequence. We owe our constituents more than that.

Our challenge is to find a balance: responsibly controlling government spending on one hand, and sufficiently funding our hospitals on the other hand.

America can boast the finest healthcare system in the world. There have been incredible advances in medicine in recent years with real hope of miraculous achievement in defeating illness, pain and suffering.

Just this week, the magnificent accomplishment of mapping the human genome was formally announced- bringing with it the promise of major breakthroughs in preventative medicine.

But all of these new and marvelous developments come with a hefty price tag. Our hospitals must have sound and reliable financial support to be able to offer us these new miracles. Making sure that our financial support is available is a mandate we in Congress cannot sidestep. We should be true to our obligations.

There is a bottom line to this discussion. When your loved one is seriously ill, only the very best medical care is good enough. We must not fail to provide sufficient funding to assure such care is reasonably available to all.

American medical care is an honest and undeniable bargain by any measure. Its true cost is not measured in dollars and cents alone, but also in the health and well-being of all our people.