NQF Failed to Endorse Measures

Physicians are willing to do their part, but quality cannot be achieved under a zero-sum scenario," according to the statement. "Continued deep payment cuts make it impossible for physicians to continue to invest in a health care infrastructure that facilitates data collection and quality improvement ensuring that patients have access to high quality care."

In total, the administration is requesting $711.2 billion for Centers for Medicare and Medicaid Services to cover mandatory and discretionary outlays for the Medicare, Medicaid, and SCHIP programs. The request is a $32.7 billion increase over the FY 2008 funding level. Federal research agencies are also facing funding cuts or freezes under the FY 2009 budget proposal.

The administration is proposing an increase of $16.9 billion over the program to provide more information to patients on the quality of care. This would include introducing measures to improve patient safety.

The administration also proposes to increase the funding to 2.4 billion for FY 2009. The FY 2009 budget proposal includes increases in the human drugs and devices programs at FDA.

Under the plan, the human drugs program would receive $984 million in FY 2009, an increase of $68 million. The increases include estimated user fees coming into the agency. The increases are slated to fund improvements in drug safety and regulation of biologic therapies. The FDA intends to fund a commitment of $189.5 million for drug safety, an increase of $36 million in FY 2008. In addition, the budget includes a proposal to grant the FDA new authority to approve follow-on biologic proteins through a new regulatory pathway. The administration also is seeking user fees to cover the costs of the new activity.

Under the administration’s budget request, the medical devices program at FDA would receive $291 million, an increase of $7 million.

Bush Proposes Medicare, Medicaid Cuts for 2009

BY MARY ELLEN SCHNEIDER
New York Bureau

In the final budget proposal of his presidency, President Bush is planning substantial cuts to hospitals, skilled nursing facilities, and graduate medical education.

Leaders in the Democratic-controlled Congress immediately declared the proposal dead on arrival.

Under the plan, the Bush administration has put forth legislative and administrative proposals that would cut $12.8 billion from the Medicare program in fiscal year 2009 and about $183 billion over the next 5 years. But critics say the cuts would harm hospitals that care for low-income patients and train physicians.

The FY 2009 budget proposal calls for freezing payments to inpatient hospitals, long-term care hospitals, skilled nursing facilities, hospices, outpatient hospitals, and ambulance services from 2009 through 2011. Payments would then drop 0.65% annually thereafter. The proposal also outlines a payment freeze for inpatient re-habilitation facilities and ambulatory surgical centers in 2010 and 2011, followed by annual cuts. Some health agencies would also see a 0% update from 2009 through 2013 followed by annual payment cuts.

The proposal would reduce indirect medical education add-on payments from 5.5% to 2.2% over the next 5 years, and would eliminate the Medicare hospital indirect medical education payment for Medicare Advantage beneficiaries.

Hospital would also face additional cuts under the plan. For example, the proposed budget would reduce hospital capital payments by 5% in 2009, and hospital disproportionate share payments would drop 30% over the next 2 years.

The FY 2009 budget plan also includes proposed legislative and administrative changes aimed at cutting nearly $18 billion from Medicare over the next 5 years. The administration’s budget would reauthorize the State Children’s Health Insurance Program (SCHIP) through 2013. The plan calls for a $19.5 billion increase to the program over 5 years, including $450 million in outreach grants to states and other organizations to help enroll uninsured children in the program.

One area that the administration’s budget proposal does not address is the 10.6% physician pay cut scheduled to take place this July.

The administration’s budget “falls short” by not including a proposal to fix the Medicare physician payment formula, the American College of Cardiology said in a statement.

“Physicians are willing to do their part, but quality cannot be achieved under a zero-sum scenario,” according to the statement. “Continued deep payment cuts make it impossible for physicians to continue to invest in a health care infrastructure that facilitates data collection and quality improvement ensuring that patients have access to high quality care.”

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