**Bush Proposes Medicare, Medicaid Cuts for 2009**

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In the final budget proposal of his presidency, President Bush is proposing substantial cuts to the Medicare, Medicaid and SCHIP programs to save $50.7 billion over the next five years, a key Medicare payment freeze, disproportionate share payments, and skilled nursing facilities, and general medical education.

Leaders in the Democratic-controlled Congress instantly 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 $1.83 billion over the next five years, largely from hospital and other provider payments. The idea is to slow down the growth rate of the program to 5% over the next five 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 2013, with the worst year then drop 0.65% annually under the proposal.

The proposal also outlines a payment freeze for inpatient rehabilitation facilities and disproportionate share payments for Medicare Advantage beneficiaries.

Hospitals 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 two years.

The FY 2009 budget plan also includes proposed legislative and administrative changes aimed at cutting nearly $18 billion from Medicaid over the next five years. The administration’s budget proposal for the Centers for Disease Control and Prevention (CDC) includes a $926 million drop from FY 2008. The Agency for Healthcare Research and Quality would also see a cut under the proposal. The president is calling for $126 million in funding for the agency, a 7% decrease from FY 2008.

The Food and Drug Administration would receive a $10 million increase over FY 2008, bringing the total funding to $2.4 billion. The FY 2009 budget proposal includes an increase in the human drugs and devices programs at FDA.

Under the plan, the human drugs program would receive $3.64 million in FY 2009, an increase of $68 million. The increase includes estimated user fees coming into the agency. The increases are slated to fund improvements in drug safety and regulation of biologic therapies. The budget includes a funding commitment of $389.5 million for drug safety, an increase of $3.5 million over FY 2008. In addition, the budget includes a proposal for the FDA new authority to approve follow-on biologic proteins through a new regulatory pathway.

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

**P O L I C Y & P R A C T I C E**

**NIH Budget Woes**

The National Institute of Mental Health’s budget took a severe hit in fiscal year 2008 and is slated for another in fiscal 2009. In FY07, the agency received a total of about $1.4 billion. For the following year, which began in October 2007, Congress appropriated about $25 million more, but a required across-the-board cut brought the total budget to $1.405 billion—a hair above the previous year’s budget. In late January, the White House proposed to essentially keep funding level, at $1.406 billion. This amount is “far below the increase needed to keep pace with medical research inflation,” the National Alliance on Mental Illness noted in a statement.

**Mo. Psychologists Eye Prescribing**

Legislators in the Missouri House and Senate have introduced bills (H.B. 1739 and S.B. 917) that would create a special designation allowing psychologists to prescribe medication, including Schedule II stimulants and Schedule IV sedatives, as long as they are not considered mood stabilizers, according to the American Psychiatric Association. Psychologists seeking a “prescribing license” would have to complete 400 hours of didactic instruction, complete a 1-year fellowship, and pass the American Psychological Association’s national exam. The American Psychiatric Association and three Missouri psychiatric societies have written to every Missouri Senate member stating their opposition to the proposals.

**Heart-Brain Link Overlooked**

African Americans are not likely to be aware that good cardiovascular health is linked to good brain health, according to a survey conducted by the Alzheimer’s Association. Sixty-one percent of survey respondents reported that they were concerned about developing Alzheimer’s, but only 6% knew about Alzheimer’s, but only 6% knew about the link between cardiovascular disease and dementia. African Americans are at greater risk for diabetes, high blood pressure, and vascular dementia than are other races. Although half of those surveyed knew of their increased cardiovascular risk, only 8% were aware that they were also at increased risk for dementia including Alzheimer’s disease. Fewer than 1 in 10 were aware that heart disease, heart attack, diabetes, and hypercholesterolemia were all linked to Alzheimer’s.

Using three African American adults selected by random sampling, the survey was conducted online in January 2008 with a random sample of 1,210 African Americans and 1,044 adults of other races. The sampling error was plus or minus 3.5%.

**Ecstasy Use Continues to Rise**

Use of 3,4-methylenedioxymethamphetamine (ecstasy) rose from 2005 to 2006 and would likely continue to increase in 2007, according to the National Survey on Drug Use and Health, conducted by the Substance Abuse and Mental Health Services Administration.

About 12.1 million Americans aged 12 or older used ecstasy at least once—a lifetime use of ecstasy in 2005, and 2 million admitted to use in the past year. Twenty-three million had used LSD once during their lifetime. Use of hallucinogens tended to split along age lines. People aged 18 to 25 were more likely to have used LSD, PCP and ecstasy in the past year than those aged 26 years or older, or those aged 12-17 years. New hallucinogens such as Salvia divinorum also are emerging, according to SAMSHA. Salvia is a member of the sage family. It grows in Oaxaca, Mexico, but is sold over the Internet. The survey found that 1.8 million people had used Salvia in their lifetime—750,000 in the past year.

**Medication Errors Hit 1 in 10**

A review of 4,200 charts at six community hospitals in Massachusetts found that 1 in 10 patients admitted to the facilities had a medical medication injury. Dr. David Bates of Brigham and Women’s Hospital, Boston, reviewed the charts and Price-waterhouseCoopers conducted the financial analysis. The study was conducted for the Massachusetts Technology Collaborative and the New England Healthcare Institute, both of which advocate for adopting computarized physician order entry systems at hospitals. The review found a variety of medication-related errors, including inappropriate use of expensive drugs. About 9% of patients with compromised kidney function received drugs they should not have. The organizations said that by using computer entry, the six hospitals could have saved an average of $154,000 by reducing inappropriate use of expensive drugs, and $47,000 if the system prompted use of oral medications instead of more expensive intravenous formulations. A system costs $2 million to purchase and $435,000 annually to operate, but the investment could be recouped in 26 months, said the organizations.

**Top 10 Cost Half a Trillion**

The nation’s 10 most expensive medical conditions cost about $500 billion to treat in 2005, according to the Agency for Healthcare Research and Quality. Heart disease topped the list at $76 billion, with trauma second at $32 billion, and cancer third at $70 billion. Mental illness, including depression, cost $56 billion, and asthma and chronic obstructive pulmonary disease cost $54 billion. Hypertension cost $42 billion to treat, type 2 diabetes cost $34 billion, and osteoarthritis/joint diseases also cost $34 billion. Back problems and meningitis accounted for the list at $32 billion each. The agency counted money spent on office visits, clinic and emergency department use, hospital use, home health care, and prescription medicines.