**Health Policy Changes in Store With New Congress**

By JOYCE FRIEDEN

Senior Editor

The changes in leadership brought about by November midterm elections are likely to result in significant shifts in the way Congress approaches health policy issues, according to several experts.

One change many physicians are hoping for is the new Democratic leadership will make it to fix the Medicare physician payment formula. Under the current payment formula, physicians are facing a 3% payment cut in January. For the immediate future, we are asking that they cancel the cut and give physicians a positive gain for this coming year, to ask that they get rid of this formula and move to one that reflects the increased cost of providing care.

The new executive director of Families USA, a liberal consumer group based in Washington, voiced optimism that the new Congress would look at the payment formula. “I think the Democrats probably do want deal with that—whether it will be on a year-by-year basis or on a more permanent basis, I don’t know,” he said.

The one thing all ways that is sure is going to move forward will be significant compromise,” he said.

“The strategy of placing caps on dam-

---

**PREMARIN**

(conjugated estrogens tablets, USP)

PREMARIN is indicated in the management of menopausal symptoms. The effectiveness and safety of PREMARIN for the treatment of osteoporosis were evaluated in a double-blind, placebo-controlled, 4-year clinical study of postmenopausal women.

---

**WARNINGS**

- **Neoplasms:** Estrogens increase the risk of endometrial cancer. The risk of endometrial cancer is markedly increased in patients taking unopposed estrogen. It is reduced when an appropriate progestin is co-administered.
- **Malignant neoplasms, Endometrial cancer:** Endometrial cancer risk increases with increasing duration of treatment. The risk of endometrial cancer appears to be less if sequential estrogen/progestin therapy is used. (Seeダイアログ)
- **Reduction of malignancy in all cases of undiagnosed persistent or recurring abnormal vaginal bleeding:** Vaginal bleeding in postmenopausal women is unusual. It may be caused by malignancies or other serious conditions. Therefore, when not contraindicated, calcium supplementation may be helpful for women at risk for osteoporosis. Malignant or pre-malignant diseases of the female genital tract may be found in patients with abnormal uterine bleeding. Histologic examination of any adenocarcinoma of the endometrium should be done. (Seeダイアログ)
- **Primary and secondary prevention of osteoporosis:** Calcium and vitamin D are the mainstays for decreasing the risk of postmenopausal osteoporosis.
- **Cardiovascular disease or dementia:** The relative risk of cardiovascular disease or dementia for CE/MPA vs. placebo was 45 vs. 22 cases per 10,000 women-years. (Seeダイアログ)
- **Hypercoagulable states:** Estrogens should not be used in individuals with any of the following conditions: 4. Active deep vein thrombosis, pulmonary embolism or a history of these conditions.
- **Liver dysfunction or disease:** Estrogens should not be used in individuals with any of the following conditions: 6. Liver dysfunction or disease.
- **Endometrial cancer:** The risk of endometrial cancer is markedly increased in patients taking unopposed estrogen. It is reduced when an appropriate progestin is co-administered.
age awards probably makes it difficult to move this forward. On the other hand, to the extent that alternative conflict resolution systems are established that substan-
tially reduce litigation and provide more people with access to grievance mecha-
nisms short of legal proceedings, that cer-
tainly has a chance of movement,” Mr. Pollack said.

Michael Cannon, director of health policy
studies at the Cato Institute, a liber-
tarian think tank in Washington, was even
more negative. Malpractice reform “is not
going anywhere and that’s a welcome de-
velopment, because the Constitution does
not give Congress any authority to play
any role in that area,” he said. “The Rep-
ublicans never recognized that, but the
Democrats, in this instance, are in favor of
letting the states deal with that issue, and
they are not interested in any federal mal-
practice reforms.”

Covering the uninsured is another area
that could move to the front burner under
the Democrats, Dr. Wilson said.

Another thing the
Democrats will
consider doing is
to close up the
‘doughnut hole,’
the coverage gap
beneficiaries
have when their
drug bills exceed
a certain amount.

Nancy Pelosi (D-Calif.), who will become
Speaker of the House in January, will be to
get rid of a prohibition in the Medicare
prescription drug coverage law that bans
the Centers for Medicare and Medicaid
Services from negotiating prices directly
with pharmaceutical companies.

“We can and we must make the
Medicare prescription drug plan fairer and
more cost effective,” Rep. Pelosi said in a
statement regarding that issue.

Removal of that prohibition would be
a welcome change, according to Mr. Pol-
lack. By bargaining directly with drug
companies, the Department of Veterans
Affairs “has achieved much lower prices
than the lowest prices charged by all
Medicare Part D plans,” he said in a state-
ment, noting that the median price differ-
ence was 46%

Mr. Cannon had quite a different take
on the idea. “Democrats are attracted to
price controls because it allows them to
provide a benefit for current generations
through lower-cost drugs, while imposing
a cost on future generations, which is few-
er new drugs being developed” due to de-
clining revenues for pharmaceutical com-
panies, he said.

Another thing the Democrats will con-
sider doing with the Part D plan is to close
up the “doughnut hole,” the gap in cov-
erage beneficiaries have when their drug
bills exceed a certain amount. Rep. Pelosi
has said she plans to do this using the sav-
ings achieved through letting Medicare
negotiate drug costs directly.

Analysts are anticipating a new direc-
tion in health policy in the new Congress
because the presumed new chairs of the
committees and subcommittees dealing
with health care are considered quite
liberal.

This group includes Rep. Charles Rangel
(D-N.Y.), expected to head the Ways and
Means Committee; Rep. John Dingell (D-
Mich.), expected to head the Energy and
Commerce Committee; Rep. George Miller (D-Calif.),
expected to head the Ed-
ucation and Workforce Committee; and
Rep. Fortney H. “Pete” Stark (D-Calif.),
expected to head the Ways and Means health
subcommittee.

“It’s going to be very interesting to see
how these folks approach health care,”
said Mr. Cannon, noting that Rep. Dingell
has introduced legislation for a single-pay-
er health care system every year since
1995. “We will see if they just try to go for
moderate Democratic ideas ... or if they
really follow their hearts and try to kill
health savings accounts, or launch some
sort of Clinton-like initiative that aims to
provide coverage for everyone. They’re not
moderates, and they’re not shrinking
violets. They don’t seem like the kind
who are going to take orders; they seem
to want to run their own show.”

The upcoming reauthorization of the
State Children’s Health Insurance Pro-
gram (SCHIP), a federal/state program to
provide health insurance to children in
families with income too high for Medic-
aid but too low to be able to afford private
insurance coverage, is one example of leg-
islation the Democrats could put their
stamp on, according to Mr. Pollack.

“Due to its broad, bipartisan support,
SCHIP no doubt will be reauthorized,” he
said. “However, since approximately 9 mil-
on children continue to be uninsured, the
real question before the Congress is
whether the reauthorization process will
expand health coverage and provide ade-
quate SCHIP funding for those children
who don’t have coverage and whose fam-
ilies can’t afford it. A simple reauthoriza-
tion will be a major disappointment.”

---