

## **The Senior Citizens League (TSCL) Monthly Washington Update for the end of October 2024**

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The end of the 2024 election period is upon us, and most people are probably happy about it. As of this writing, we don't know who has won many of the most high-profile races, but continuing issues must be dealt with no matter who has won.

In Washington, D.C., one of the most pressing issues is the federal government's funding for the fiscal year 2025, which began on October 1. Before Congress recessed for October, they knew they couldn't pass the needed funding legislation, so they passed a temporary funding bill. The clock is now ticking, and the results of the elections will play a big part in how they proceed from here.

We do know that there is no immediate plan for dealing with the looming funding shortfalls for Social Security and Medicare. No matter which party ends up in control of Congress, TSCL will keep pressing them to deal with those matters, and we'll keep a close eye on whatever proposals may be put forth.

There are, however, other issues that are of concern for seniors, including the high cost of drugs. We deal with that and more below.

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### **Medical Facilities to Receive Higher Medicare Payments Next Year ...**

Last week, the Centers for Medicare and Medicaid Services (CMS) announced, among other things, that general acute care hospitals and ambulatory surgical centers will receive an increase in payments made to them by Medicare in 2025. The announcement also includes new policies designed to reduce maternal mortality and morbidity, increase access to care, and advance health equity.

An estimated 3,600 facilities, including general acute care hospitals, children's hospitals, cancer hospitals, and community mental health centers, would be paid for outpatient care that they give.

(Ambulatory surgical centers provide outpatient procedures for patients who don't need an overnight hospital stay.)

This is good news for seniors because so many surgical procedures these days don't require overnight hospitalization, and ambulatory surgical centers have become much more common and are used more by seniors.

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### **Physicians, on the Other Hand, to Receive Lower Payments**

In a separate announcement last week, CMS said that overall Medicare payments to physicians and clinicians will be reduced by an average of 2.93% next year. The increase in payments to surgical centers mentioned above is the reason for the cuts in payments for physicians. Federal law requires that any payment increases be offset by equal cuts elsewhere in the program.

The announcement quickly resulted in calls by the American Medical Association (AMA) and other physician groups for Congress to change how Medicare sets payment rates. According to the AMA, when adjusted for inflation, Medicare payments to physicians have declined 29% from 2001 to 2024.

Bi-partisan legislation sponsored by Reps. Larry Bucshon (R-Ind.) and Ami Bera (D-Calif.) would remedy the situation. The bill (H.R. 2474) would give Medicare physicians an automatic annual pay increase, with the percentage based on a measure of inflation faced by physicians with respect to their practice costs and general wage levels.

Again, this issue is important to seniors since some physicians currently do not accept Medicare patients because of the low reimbursement rates. A continued reduction in those rates could result in an increasing number of physicians refusing to accept Medicare patients.

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### **Results of the Election Could Have Major Impact on Seniors**

No matter which party wins control of Congress, the high cost of drugs remains a hot issue that still needs to be dealt with. In our last update, we gave the list of the ten drugs that the Biden administration negotiated with the big drug companies for lower prices beginning in January 2026.

Medicare's ability to negotiate these prices came about because of the passage of the Inflation Reduction Act, signed into law by President Biden in 2022. Republicans have opposed that legislation, and according to the news site *Axios*, multiple high-ranking

Republican members of Congress have said they want to repeal the Medicare drug price negotiations if they win control of Congress.

However, there is a lack of agreement among Republicans about what to do, and that could result in a long, grinding healthcare debate with echoes of the failed 2017 Affordable Care Act repeal-replace fight.

The Congressional Budget Office (CBO) has found that repealing the negotiation provisions would cost the government money instead of producing the savings currently expected to be about \$100 billion over 10 years.

Should Democrats gain control, on the other hand, they will likely push to expand the number of drugs to be negotiated for lower prices.

If Congress is split between the two parties, as it has been for the past two years, neither party will probably give in to the other, and few, if any, changes will be made.

Of course, whoever is elected President will make a difference because of the ability to veto any legislation.

Things should be clearer by our next update, and we can determine which direction Congress is likely to take.

TSCl has long supported legislation to reduce the prices of prescription drugs, so this is an issue we will keep a close watch on and continue to fight for lower drug prices.

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