Health Care Bill Contains Key Cost-Cutting Provisions Championed By Cantwell

Local News

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Posted on : December 24, 2009 at 8:30 am

Today, Senator Maria Cantwell (D-WA) voted with a majority of her Senate colleagues for health care reform legislation that marks a major step toward bringing spiraling health care costs under control. The health care reform bill, passed 60-39 in a Christmas Eve vote, includes several provisions introduced by Senator Cantwell aimed at significantly cutting costs while improving quality and expanding coverage. These provisions, if signed into law after House-Senate negotiations, will deliver significant cost savings for Washington state residents.

“Getting health care costs under control is our first order of business,” Senator Cantwell said. **“This bill contains key provisions I introduced in committee that will significantly cut costs in Washington state and across the country. A new Medicare reimbursement model and federal funding for the Basic Health Plan will significantly benefit Washington state doctors, patients and taxpayers.”**

The bill now moves to a conference committee involving House and Senate leaders. Cantwell said she would be working with Majority Leader Harry Reid (D-NV) to ensure that key cost control measures contained in the Senate bill are included in the final legislation that Congress will send the President.

“This has been a marathon effort, and our work is not yet done,” Cantwell said. **“I am confident that our cost control initiatives will remain in the final bill. Medicare reform is critical to Washington state doctors and seniors. The Basic Health Plan for 20 years has provided Washington’s residents with quality health care while saving 30-40 percent on insurance premiums.”**

The following is a summary of Cantwell’s key reforms included in the bill:

· **Basic Plan:** Gives all 50 states the option to negotiate directly with health insurers to provide high quality health care coverage at a lower cost. The plan, which would fully fund Washington state’s Basic Health program, directs money to participating states and lets them use their purchasing power to negotiate with private insurance carriers. The annual cost of a typical individual plan would be $4,100. That’s 30 percent less than the $5,850 the same plan would cost in today’s private market.

· **Basic Plan, Short-term Fix:** The main provisions of the bill, including the Basic Plan, do not take effect until 2014. For that reason, Cantwell authored a provision to provide critical short-term relief for Washington state. The bill allows the state to apply for federal funding that would cover two-thirds of the cost of the state’s Basic Health Plan until 2014. The state would be eligible for grants of up to $180 million per year.

· **Medicare reform:** Establishes a “value-based index” to reward doctors for providing high quality, efficient, and coordinated care. The measure replaces the current system that rewards practitioners for ordering often redundant or unnecessary tests and procedures, contributing to an estimated $120 billion per year in wasted spending. The value-based index will particularly benefit Washington state patients and providers by ending Medicare’s practice of paying more to high-cost states.

· **Long Term Care:** The bill includes $1.1 billion that will help seniors in need of long-term care who prefer to remain in their homes. Home-based care is 70 percent less expensive than nursing home care.

· **Primary Care:** The bill includes measures to expand the number of medical students pursuing careers as primary care physicians. Primary care doctors can play a significant role in cutting health care costs by skillfully coordinating and overseeing patient care. But these care-givers are underpaid in our current system. The measure expands training capacity for primary care physicians and includes incentives for medical students who opt for a career in primary care.

· **Pharmacy Benefit Managers** (PBMs): Serving as the middlemen between health insurance plans, pharmaceutical manufacturers, and pharmacies, PBMs manage most of the prescriptions filled in the United States but are the only unregulated area of the health insurance industry. Cantwell’s proposal requires reporting by PBMs to ensure that savings from drug price negotiations are passed on to consumers and not contributing more to pharmaceuticals’ bottom lines.

Senator Cantwell’s floor speech before the final passage of the Senate health care bill can be found here.