

Capitol Hill Watch | Senate Approves FY 2006 Budget Reconciliation Bill

[Dec 21, 2005]

The Senate voted 51-50 on Wednesday to approve the fiscal year 2006 spending cut package ([S 1932](#)), with Vice President Dick Cheney returning from a trip in the Middle East to cast a tie-breaking vote, the [AP/Washington Post](#) reports (Taylor, [AP/Washington Post](#), 12/21). The House on Monday voted 212-206 to approve \$39.7 billion in spending cuts, including \$6.4 billion in net savings from Medicare and about \$4.8 billion in net savings from Medicaid over five years. The measure would give states greater flexibility to require copayments and premiums of beneficiaries and limit benefits, as well tighten rules for transfers of assets by individuals to obtain Medicaid coverage for long term care ([Kaiser Daily Health Policy Report](#), 12/20). Procedural maneuvers by Democrats will require the House to vote on the bill again before it can be sent to President Bush. According to the [AP/Post](#), "passage is all but certain, but the timing remains in question, since most House members have returned home for the holidays" ([AP/Washington Post](#), 12/21).

Comments

According to [CQ Today](#), Senate debate over the bill on Tuesday "focused on the level of savings" achieved in the bill and "whether it would reduce the deficit" (Dennis, [CQ Today](#), 12/20). Republicans praised the bill, calling it a "step toward fiscal responsibility," according to the [Chronicle](#). However, Democrats criticized the planned cuts as an "attack" on low-income U.S. residents "to finance tax cuts for the wealthy," the [Chronicle](#) reports (Lochhead, [San Francisco Chronicle](#), 12/21). In addition, Sen. Hillary Rodham Clinton (D-N.Y.) on Tuesday expressed concern that the spending cut package could increase the number of unplanned pregnancies because it would allow states to discontinue Medicaid coverage for contraception and family planning services, [Long Island Newsday](#) reports (Thrush, [Long Island Newsday](#), 12/21). Under current federal Medicaid rules, states are required to offer family planning services (Barrett, [AP/Long Island Newsday](#), 12/20). However, states could alter coverage for those services under the new measure, according to [Newsday](#) ([Long Island Newsday](#), 12/21). Clinton said, "We obviously have very strong opinions and deeply held convictions about abortion, but are we also divided about contraception and family planning? Are we not in this body committed to reducing the number of abortions? Apparently we're not" ([AP/Long Island Newsday](#), 12/20). Republican congressional leaders say the bill aims to give states more flexibility in administering their Medicaid programs, and some experts say states are unlikely to halt family planning and contraception coverage in part because the federal government pays for most of the costs, [Newsday](#) reports ([Long Island Newsday](#), 12/21). According to an unnamed staff member for a Senate Republican, the spending cut package would require state Medicaid plans to remain equivalent to health plans under the [Federal Employees Health Benefits Program](#) or state employee insurance programs, most of which cover family planning services and contraception, [CQ HealthBeat](#) reports (Carey, [CQ HealthBeat](#), 12/20).

McClellan Comments

[CMS](#) Administrator Mark McClellan on Tuesday sought to "counter a storm of criticism" from some policy groups that the budget reconciliation package "would slash vital services" for children in Medicaid, [CQ HealthBeat](#) reports. McClellan said in a statement that the proposed changes to Medicaid -- which would allow states greater flexibility to change benefits -- would not reduce benefits under Medicaid's [Early and Periodic Screening, Diagnosis and Treatment](#) program, which provides regular checkups to children covered by Medicaid. Critics say the proposed changes fail to ensure services equivalent to those offered under EPSDT, according to Edwin Park, an analyst with the [Center on Budget and Policy Priorities](#). CBPP also expressed concerns about higher copays and allowing providers to deny services to children whose families cannot make their copays at the point of service (Reichard, [CQ HealthBeat](#), 12/20).

Defense Appropriations Bill

The Senate also on Wednesday is expected to vote on the FY 2006 [Department of Defense](#) spending bill (Weisman/Murray, *Washington Post*, 12/21). The bill includes \$3.8 billion for avian flu prevention measures and \$29 billion in hurricane assistance (*Kaiser Daily Health Policy Report*, 12/21). However, the future of the bill is uncertain after Sen. Ted Stevens (R-Alaska) included a provision that would allow oil drilling in the Arctic National Wildlife Refuge. Democrats have said they will mount a procedural challenge to remove the provision or block the bill until Stevens "backs down," the *Post* reports. Stevens has said he will not change his position. Senate Minority Leader Harry Reid (D-Nev.) predicted "a very close vote" on the bill (*Washington Post*, 12/21). Republican leaders expressed confidence that the bill would pass the Senate with the ANWR provision included, according to a Senate Republican aide (*CQ Today*, 12/20).

Labor-HHS Bill

In related news, Senate Republican leaders on Tuesday appeared "still short of votes to pass" the \$142.5 billion FY 2006 Labor-[HHS](#) spending bill. According to *CongressDaily*, Senate leaders canceled a planned vote on the bill last week because of lack of votes and blamed a "lack of attendance." However, the return of senators for the votes this week "has not eased concerns that the bill might fail," according to *CongressDaily*. Democrats are expected to oppose the legislation unanimously, and several Republican moderates also could oppose the bill (Heil/Cohn, *CongressDaily*, 12/21).

Proposed Medicaid Asset Transfer Changes Examined

The *Wall Street Journal* on Wednesday examined the proposed changes to Medicaid in the spending cuts package that would limit the ability of individuals to transfer assets to qualify for Medicaid coverage of nursing home care. The bill would impose stricter rules on U.S. residents seeking to transfer assets to children or others to meet income-eligibility requirements for Medicaid. Proponents of the change say it will prevent abuse of the system by "middle and upper-middle income seniors," the *Journal* reports. However, opponents say most seniors with modest annual incomes cannot afford to pay for nursing home care and would be hurt by the new rules (Lueck, *Wall Street Journal*, 12/21).