
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 204 Session of
2000

INTRODUCED BY HELFRICK, MADIGAN, SALVATORE, WAGNER, STOUT,
WAUGH, MUSTO, EARLL, KITCHEN, HOLL, MOWERY, CONTI, TILGHMAN,
WHITE, MELLOW, BELL, O'PAKE, TOMLINSON, STAPLETON, RHOADES,
PICCOLA, THOMPSON, MURPHY, KUKOVICH, LEMMOND AND WENGER,
SEPTEMBER 27, 2000

REFERRED TO INTERGOVERNMENTAL AFFAIRS, SEPTEMBER 27, 2000

A RESOLUTION

1 Urging the Congress of the United States to enact reforms to the
2 Federal Medicare program by providing adequate payments to
3 Medicare insurers and Medicare providers to ensure
4 Pennsylvania's Medicare beneficiaries retain health care
5 coverage and health care plan choices in their communities.

6 WHEREAS, Medicare was enacted in 1965 as a social insurance
7 program providing health care benefits to older Americans and
8 individuals with disabilities; and

9 WHEREAS, The program serves 39 million beneficiaries
10 nationwide; and

11 WHEREAS, There are currently 2,129,756 Medicare eligible
12 citizens in the Commonwealth of Pennsylvania and 589,070
13 Medicare HMO enrollees; and

14 WHEREAS, The Balanced Budget Act of 1997 ensures the
15 financial health of the Medicare program until 2008; and

16 WHEREAS, The Balanced Budget Act of 1997 created the Medicare
17 Plus Choice program to expand managed care options for
18 beneficiaries and protect health care access, affordability and

1 quality; and

2 WHEREAS, The implementation of the Medicare Plus Choice
3 program has not been carried out as intended by Congress; and

4 WHEREAS, Six of the 13 Medicare insurers in Pennsylvania have
5 announced that they will terminate their Medicare contracts
6 completely or reduce their counties served in 2001 because of
7 inadequate Medicare payment rates and methodology as well as
8 program overregulation; and

9 WHEREAS, Approximately 58,000 beneficiaries in 29 counties
10 will be impacted, resulting in a 10% decrease in the number of
11 Medicare eligible HMO enrollees; and

12 WHEREAS, Several Medicare insurers have announced plans to
13 reduce benefit levels and increase premiums in 2001 in response
14 to inadequate payment rates and methodology as well as program
15 overregulation; and

16 WHEREAS, Hospitals and health systems in Pennsylvania are
17 facing a \$3.6 billion cut in Medicare reimbursements, and more
18 than four out of five hospitals are unable to cover operating
19 expenses with patient revenues; and

20 WHEREAS, Inadequate Medicare payments as a result of the
21 Balanced Budget Act of 1997 are directly impacting
22 beneficiaries' ability to retain health care coverage and choose
23 their health care plan; and

24 WHEREAS, In light of an anticipated Federal budget surplus,
25 Congress has an opportunity to ensure that the original goals of
26 the Medicare Plus Choice program are achieved and that Medicare
27 beneficiaries have access to affordable, quality health care in
28 their communities; therefore be it

29 RESOLVED, That the Senate of the Commonwealth of Pennsylvania
30 urge Congress to enact additional Balanced Budget Act relief in

- 1 2000 through adequate payments to Medicare insurers and Medicare
- 2 providers.