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# News Release

# Gordon H. Smith

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U.S. Senator for Oregon

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## **Smith Plans Floor Amendment to Defeat Medicaid Budget Cuts**

### *BPA Market-Based Rates Not Included in Committee-Passed Budget*

Washington, DC – Today, Senator Gordon Smith (R-OR) announced his intention to offer a floor amendment to restore Medicaid funding that was cut in the budget passed by a key Senate committee today. In place of the cuts, Smith will seek the creation of a bipartisan commission to conduct a comprehensive review to determine how to improve service delivery and quality in the most cost-effective way possible under Medicaid.

The Senate Budget Committee today passed the Fiscal Year 2006 Budget Resolution including a call for \$15 billion in Medicaid cuts over five years. The savings are intended to be found by combating waste and abuse in the system.

“There may well be places where we can save money in Medicaid,” Smith said. “But I am opposed to blindly cutting the program when we have a real opportunity to improve it.”

Smith introduced the Bipartisan Commission on Medicaid Act (S. 338) after the president’s budget proposed over \$60 billion in cuts to the program over ten years. Next week, he intends to offer his legislation on the Senate floor as an alternative to the cuts proposed in today’s budget.

The Medicaid Commission will be charged with a number of duties, including reviewing and making recommendations with respect to the long-term goals, populations served, financial sustainability, interaction with Medicare and safety-net providers, and the quality of care provided. The Commission will have one year to hold public hearings, conduct its evaluations and deliberations, and issue its report and recommendations to the president, the Congress, and the public.

“We shouldn’t risk the health of millions for the sake of expediency,” Smith said. “A short delay will allow a full study and ensure that any changes improve Medicaid’s sustainability while maintaining access to care.”

S. 338 is cosponsored by 28 senators and supported by a diverse group of advocates including: the National Conference of State Legislatures, National Association of Community Health Centers, American Hospital Association, Families USA, National Association of Counties, National Alliance for the Mentally Ill, and the AIDS Institute.

The budget also excluded provisions proposed by the president which would force Bonneville Power Administration to charge market-based rates rather than the current cost-based prices.

“Attacks on BPA seem to be a perennial issue,” Smith said. “But for another year this matter is dead. I’m optimistic that widespread opposition and the leadership of Senators Gregg and Domenici have put the question to rest. If it does ever come up again, I’ll be there to fight it.”

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