

## Part B Insider (Multispecialty) Coding Alert

### CAPITOL HILL WATCH: Heads Up--Budget Discussions May Continue Into 2006

**And a pay freeze, not a pay hike, may be the best you can hope for**

You could come back to work after the holidays to find a lump of coal waiting for you, courtesy of the U.S. Congress.

With December ticking away, budget negotiators are increasingly predicting that they will be unable to come up with an agreement by the end of the year. Instead, they might just pass a continuing resolution and go back to the table on the 2006 budget in January.

**Warning:** A failure to conclude negotiations in 2005 would mean that your payments automatically drop by 4.4 percent on Jan. 1. Even if the 2006 budget eventually does away with this cut, there's no telling if it would be retroactive to the start of the year. Either way, you'd be receiving drastically lower payments in January until Congress sorted out its disagreements.

Sen. **Chuck Grassley** (R-IA), chairman of the **Senate Budget Committee**, told reporters he doesn't need to have any agreement on the budget before he goes home for the holidays. In a recorded teleconference posted to his Web site, however, Grassley says he hopes he and other negotiators can reach an agreement because he has a busy schedule in January. The main sticking points in the budget debates are non-health-related, like oil exploration in the **Arctic National Wildlife Reserve**. But there's also the fact that the House budget included more cuts to Medicaid and no changes to Medicare, Grassley noted. "I have to make sure I don't compromise too much on Medicaid with the House," Grassley said.

The Associated Press quoted House Majority Leader **Roy Blunt** (R-MO) as saying he'd rather not wrap up budget talks before year's end, if that meant "we'd have to give up our negotiating position on a number of issues. I think it's better to get that right than to get that quickly."

The Senate passed a "Sense of the Senate" resolution on Dec. 15 letting the House know that Senators wouldn't support steep Medicaid cuts, one Capitol Hill insider tells PBI. "I find it really unlikely" that the budget negotiations could wrap up in 2005, given that hard-line stance, the source adds. If the budget adds money to physician spending and avoids cutting Medicaid too much, then it's harder to reach the House's savings targets.

House Speaker **Dennis Hastert** (R-IL) and Senate Majority Leader **Bill Frist** (R-TN) did encourage budget negotiators to wrap up talks quickly, the National Journal's CongressDaily reported Dec. 15. But the best outcome you can hope for at this point is a pay freeze instead of an increase to payments, according to CongressDaily.

Meanwhile, the House and Senate reached agreement on a spending bill for the **Department of Health & Human Services**. The bill doesn't affect Medicare payments, but it does include an additional \$90 million for rural health-related services.