

***Committee Prepares to Mark Up Legislation to Expand Health Care Coverage for Children, Remove Physicians' Payment Reduction, and Eliminate Wasteful Spending***

**Washington, DC** - This morning, the House Committee on Energy and Commerce will begin a full committee mark up of the Children's Health and Medicare Protection (CHAMP) Act of 2007. The legislation comprehensively addresses one of Congress's key domestic priorities by reauthorizing and revamping the Children's Health Insurance Program (CHIP), an initiative that provides health insurance to millions of low-income children. In the state of Texas, approximately 700,000 eligible children are uninsured due to insufficient funding for Medicaid and CHIP.

The CHAMP Act also eliminates a scheduled 10% physicians' payment reduction, protecting beneficiaries' access to doctors, and invests resources in Medicare and senior citizens. The legislation generates savings by reducing overpayments to Medicare Advantage providers who currently receive a premium for their services. The savings, estimated to be \$54 billion between 2009 and 2012 and nearly \$149 billion between 2009 and 2017, are then reallocated to provide for the increased CHIP funding and to eliminate the scheduled 10% physicians' payment reduction. Once reduced, the premiums, which have led to numerous documented abuses, will force providers to streamline their services, resulting in a more efficient system that can still provide coverage.

The introduction of this legislation comes just months after the National Association of Insurance Commissioners' (NAIC) Senior Issues Task Force conducted a survey of each state's Department of Insurance about complaints they have received regarding Medicare marketing concerns since January 1, 2006. The survey found that 41 states reported complaints on agent or company misrepresentations in sales and marketing practices, specifically pointing to instances where beneficiaries received misleading information about benefits, provider networks, provider acceptance, and premiums. The survey further highlights the problems with the existing program and the need to reform the system.

Congressman Charles Gonzalez (TX-20), member of the House Committee on Energy and Commerce, issued the following statement on the CHAMP Act:

"Reauthorizing and expanding health care coverage for our nation's children could not be a higher priority, but we can't accomplish this feat at the expense of our fiscal responsibilities," said Gonzalez. "The CHAMP Act not only protects those currently receiving benefits by removing a 10% physicians' payment reduction, but it also expands coverage by responsibly boosting CHIP funding by reducing the waste and abuse that exist in the form of premiums paid to Medicare Advantage providers. Scaling back these premiums will result in providers streamlining their operations while saving billions of dollars that can be then used to fund both of these objectives, ultimately accomplishing our goal of expanding coverage without altering eligibility requirements. Proving to be a significant step in putting us on course for a stronger health care system, this legislation creates a historic opportunity to fight the existing health care crisis in America," he added.

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