

Congress of the United States

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ALLARD, McINNIS INTRODUCE LEGISLATION TO PROTECT MEDICARE PROGRAM RELIED ON BY THOUSANDS OF RURAL COLORADANS

Washington, D.C. – U.S. Senator Wayne Allard (R-Colorado) and U.S. Representative Scott McInnis (R-Grand Junction) today introduced the Medicare Cost Contract Extension Act of 2001, in their respective chambers to save a Medicare provision, slated for termination in 2004, that provides health care coverage to thousands of elderly and disabled persons in rural Colorado.

“For decades, the Centers for Medicare and Medicaid Services has successfully offered two contracts to choose from in providing health care services to Medicare beneficiaries. Unfortunately, current law requires for Medicare cost contracts to be terminated in 2004,” said Allard. “Without changing the current law to allow these cost contracts to continue, more than 18,050 Coloradans and almost 300,000 Medicare beneficiaries nationwide will be left without quality health care providers.”

Said McInnis, “This legislation is fundamentally important to those living in rural parts of Colorado who rely on Medicare. Unless we save this program, literally thousands of Medicare recipients in Colorado will be stranded without the quality of coverage that they enjoy now.”

Currently, health care providers that serve Medicare recipients have two payment options: cost and risk contracts. Cost contracts allow health plans to coordinate medical care, coverage, and payment in a manner highly responsive to a patient’s needs. Cost contracts are reimbursed based on the costs of providing care. Unlike cost contracts, risk contracts, which can include Medicare+Choice, allow for reimbursement at capped rates. As a result, the costs of facilitating care are higher and, because of high costs, many risk contract companies have closed their doors.

Cost contracts are especially vital in rural Colorado, where few Medicare and Medicare+Choice providers operate. Of the 18,050 Coloradans with cost contract plans, 89 percent (16,075) live in rural Colorado. As such, if cost contracts are eliminated as current law provides, and risk contracts are imposed by the federal government on rural health plans, seniors will be forced to drop the health care coverage they now enjoy.

“Medicare beneficiaries deserve a choice in how they receive health care,” added Allard. “Our legislation will allow Medicare beneficiaries to continue to have that choice.”

Concluded McInnis, “Government has no greater responsibility than to provide the health care promised to our elderly, no matter where they live. Cost contracts are good public policy that serve Western Colorado well and I intend to do everything I can to save them.”

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