

He and AARP are at odds over the legislation's effect on Medicare funding.

□ *WORLD-HERALD BUREAU*

WASHINGTON -- Nebraska senior citizens may be forgiven if they're feeling a little dizzy.

In letters to the editor and to its members, AARP Nebraska has taken issue with Reps. Lee Terry, Jeff Fortenberry and Adrian Smith, all Nebraska Republicans, for voting against the Children's Health and Medicare Protection Act.

AARP says the House bill would improve Medicare coverage, particularly for low-income older people.

But the three lawmakers said they opposed the bill in part because the expansion of children's health insurance programs would come at the expense of Medicare funding.

Saying he had to set the record straight, Terry sent letters this week to the approximately 33,000 households in the 2nd Congressional District that include a person over age 65.

In the letter, Terry blasted the bill for including the "largest Medicare cut in American history." He pointed to about \$193 billion in reductions in Medicare spending over 10 years.

The government is expected to spend more than \$6 trillion on Medicare during that time period, according to the Congressional Budget Office.

The Terry letter mentions reductions in funding for home health and nursing home care.

But he said the largest of the reductions comes at the expense of Medicare Advantage, a program that pays private insurers to provide Medicare benefits. About 11,500 people in the 2nd District are enrolled in Medicare Advantage.

Over the years, the Medicare Advantage formula has been edging upward, and per-capita costs are about 12 percent higher than those in the traditional government-run system.

Backers of Medicare Advantage say the private sector uses the extra money to provide preventive care, drug discounts and other benefits that close gaps in the government-run program. Others say it's simply a way to boost the profits of large insurance companies.

AARP lobbyist Mark Intermill said the group respectfully disagrees with Terry's position.

Intermill said the group supports the Medicare Advantage cuts to bring that program in line with traditional Medicare. He said the cost overruns in that program translate into higher premiums for other Medicare recipients.

AARP doesn't have a position on the other reductions that Terry cited, he said, but many of those are simply trimming back scheduled increases in spending. Intermill also said the bill expands coverage for mental health medication and provides billions for additional benefits to more low-income senior citizens. "This seems like good government," he said. "We don't consider (the cuts) to be a reduction in the scope of the service or in the program."

Terry said eliminating the extra money in the Medicare Advantage program could prompt private providers to stop participating and lead to the program's demise.

He said people switching from that program to traditional Medicare would be well-advised to purchase supplemental coverage. AARP offers such supplemental plans, although Terry stopped short of saying that is influencing the group's support for the bill.

Intermill rejected any suggestion that the group's position was motivated by business concerns.

"Our public policy positions aren't driven by a business decision," Intermill said. "The business decisions follow the public policy decisions."

The House bill still must be reconciled with the Senate version.

