

ASSEMBLY RESOLUTION No. 46

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen STEELE and PASCRELL

1 AN ASSEMBLY RESOLUTION memorializing the Congress of the United  
2 States to reject proposed reductions in projected Medicare spending as  
3 part of its effort to balance the federal budget.

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5 WHEREAS, Members of the United States Senate and House of  
6 Representatives, meeting in conference, will soon be negotiating the  
7 differences between the budget resolutions recently adopted by each  
8 House, which are designed to balance the federal budget by the year 2002  
9 and include major reductions in the projected rate of Medicare spending  
10 over the next seven years in order to reach that objective; and

11 WHEREAS, Even though the Medicaid budget would still increase between  
12 now and the year 2002 under these budget resolutions, the proposed  
13 reductions in its rate of growth, which constitute the single largest  
14 programmatic contribution to the effort to achieve a balanced budget,  
15 would inevitably result in fewer health care services for Medicare  
16 beneficiaries because the reduced rate of spending would not keep pace  
17 with a growing Medicare population and health care cost inflation; and

18 WHEREAS, The proposed reductions go far beyond what is needed to meet  
19 the widely acknowledged need for Medicare reform, which will be  
20 required to preserve the program's fiscal viability for the current 34 million  
21 elderly and 4 million disabled Medicare beneficiaries, and for succeeding  
22 generations; and

23 WHEREAS, Medicare spending has already been cut during the past decade,  
24 reducing its growth rate by nearly half, while private health costs have  
25 increased at a faster rate; and the current rate of increase in Medicare  
26 spending is a function of the growing senior citizen population in this  
27 country and the use of new medical technology which ensures quality health  
28 care for Medicare patients; and

29 WHEREAS, Federal Medicare payments to New Jersey hospitals do not now  
30 adequately cover the cost of providing care to Medicare beneficiaries; and  
31 Medicare currently represents more than 40% of a hospital's total revenue  
32 in this State on average, but as much as 70% of total revenue for some  
33 hospitals, which means that New Jersey residents already incur a significant

1 cost shift associated with the shortfall in Medicare payments to hospitals in  
2 the State; and

3 **WHEREAS**, Drastic Medicare funding reductions would have a disastrous  
4 impact on the health care system in this State with its large senior citizen  
5 population; and New Jersey would be more adversely affected by these  
6 proposed Medicare cutbacks than most other states because of the  
7 number of Medicare beneficiaries living here; and

8 **WHEREAS**, The need for Medicare reforms should not be used as a pretext to  
9 balance the federal budget on the backs of frail and vulnerable senior and  
10 disabled citizens, or to use Medicare spending cuts to pay for a reduction  
11 in the federal capital gains tax rate which will disproportionately benefit the  
12 most affluent taxpayers in this country; now, therefore,

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14 **BE IT RESOLVED** by the General Assembly of the State of New Jersey:

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16 1. The Congress of the United States is respectfully memorialized to reject  
17 the proposed draconian reductions in the projected rate of Medicare spending  
18 over the next seven years, which have been adopted by both the Senate and  
19 the House of Representatives and will now be debated in conference between  
20 the two Houses, as part of its effort to balance the federal budget by the year  
21 2002, and to design a more humane approach to reform of the Medicare  
22 program in order to ensure its future solvency and its continued ability to serve  
23 the health care needs of millions of senior and disabled citizens across this  
24 nation well into the next century.

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26 2. Duly authenticated copies of this resolution, signed by the Speaker of  
27 the General Assembly and attested by the Clerk of the General Assembly,  
28 shall be forwarded to the presiding officers of the United States Senate and  
29 House of Representatives, and to each of the members of the Congress of the  
30 United States elected from the State of New Jersey.

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#### STATEMENT

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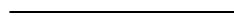
35 This Assembly resolution memorializes the Congress of the United States  
36 to reject proposed draconian reductions in the projected rate of Medicare  
37 spending, which have been adopted by both the Senate and the House of  
38 Representatives, as part of its effort to balance the federal budget by the year  
39 2002, and to design a more humane approach to reform of the Medicare  
40 program in order to ensure its

1 future solvency and its continued ability to serve the health care needs of  
2 senior and disabled citizens.

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7 Memorializes U.S. Congress to reject proposed reductions in Medicare  
8 spending as part of its effort to balance the federal budget.