



RSC Discussing Medicare Offsets

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House Republican conservatives, concerned that the costs of recovering from Hurricane Katrina are worsening an already dire fiscal situation, are discussing a variety of options for offsetting the disaster funding, including a potential delay in implementing the Medicare prescription drug program that was a centerpiece of President Bush's domestic agenda.

At Wednesday's meeting of the conservative Republican Study Committee, group members were asked to brainstorm potential spending offsets that could be combined into a package and presented to the GOP leadership next week.

"Operation Offsets," inspired by a comment by House Majority Leader Tom DeLay (Texas), will be run by Rep. Jeb Hensarling (Texas), who heads the RSC's task force on budget and appropriations.

The proposals could range from small rescissions of previously appropriated items to larger rollbacks such as delaying the Medicare bill.

"We're talking big money, so we have to have big offsets," said RSC Chairman Mike Pence (Ind.).

Congressional deficit hawks are in something of a bind in the current environment, as there is widespread agreement on the need for massive Katrina-related funding but little apparent consensus — or political appetite — for figuring out how to pay for it.

For most conservatives, finding offsets is the only realistic avenue, since they are adamantly opposed to raising taxes, yet they are also hesitant to express any opposition to spending money on Katrina efforts.

"We all agree that we are willing to write whatever check is needed for Katrina," Hensarling said. "But I do not want to take a great human tragedy of this generation and compound it with a huge fiscal tragedy for the future."

Before the House considered last week's \$51 billion supplemental bill, Hensarling tried to offer an amendment that would have offset Katrina spending over the next five years. His amendment was not allowed by the Rules Committee.

Indeed, the Republican leadership has given little indication so far that massive spending cuts on other areas are a legitimate option for offsetting Katrina, though leaders have professed to keeping an open mind.

"My answer to those that want to offset the spending is, 'Sure, bring me the offsets,'" DeLay said Tuesday. "I will be glad to do it, but no one has been able to come up with any yet."

Pence said that comment is what spurred the RSC into action.

"I take what the Majority Leader said at face value," Pence said.

As part of the effort to find offsets, Rep. Jeff Flake (R-Ariz.) is promoting a bill he introduced in March that would delay by one year the implementation of the Medicare bill that passed in 2003.

As of Wednesday, Flake's bill had just 13 co-sponsors, though he and other Members who attended Wednesday's RSC meeting said they sense considerable enthusiasm for his proposal.

"I think the natives are restless on this," Flake said.

Rep. Zach Wamp (R-Tenn.), a supporter of Flake's idea, said the Medicare bill was a natural target because it "still gets under the craw of conservatives" in the House.

Indeed, when the bill was up for a vote in the chamber, GOP leaders had so much trouble corralling the votes of fiscal conservatives that, in a significant break with procedure, they kept the vote open for hours — and even then managed to eke out the slimmest of victories.

If anything, that uneasiness spread, even before Katrina, as many lawmakers grew increasingly uncomfortable with the prescription drug measure and its escalating cost estimates.

"There are many people today who would support repeal — certainly more than there were a month ago," Wamp said.

Wamp and the bill's other supporters admit that delaying the Medicare measure would be an uphill battle.

The Bush administration has spent thousand of work hours and millions of dollars on promoting the prescription drug program, and the Republican leadership spent precious political capital getting the bill passed in the first place. That makes it unlikely that Flake's bill would ever be granted a floor vote, even if it did have enough support to pass.

"I think the odds of that are minimal at best," said a senior GOP leadership aide.

But Wamp pointed out that the costs of Katrina, combined with the ongoing war in Iraq, could add up to several hundred-billion dollars that the government has little choice but to spend.

"When you talk about \$350 [billion] or \$400 billion, there's not many other places to look," he said.

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