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TN, other states try to take control of Medicare

Tennessee lawmakers propose option for health-care compact

By Tom Wilemon - THE TENNESSEAN

Some Tennessee legislators want to set up the framework for a future takeover of Medicare using a compact, the same constitutional mechanism that allows states to share water rights.

Sen. Mae Beavers, R-Mt. Juliet, and Rep. Mark White, R-Memphis, have introduced bills identical to ones being proposed in other states to form a health-care compact. If approved at the federal level, the compact would allow Medicare money to be sent directly to the states, which would administer benefits and set their own policies. Tennessee would get to decide how to spend about \$11.5 billion without having to comply with federal mandates.

"I'm one that believes that the state can make better decisions regarding Tennesseans than Washington can. This would return that area of control to Tennessee," said Beavers, who also sponsored the Health Freedom Act, which would allow Tennesseans to opt out of the federal health-care law.

Although chances of federal approval are slim with a Democratic-controlled U.S. Senate and a Democrat in the White House, power could shift to Republicans after the 2012 election.

Medicare is at the forefront of political debates about the health-care reform law and how to reduce the nation's debt. Another proposal, introduced in Congress by U.S. Rep. Paul Ryan, R-Wis., the chairman of the House Budget Committee, would end Medicare in 2021 and replace it with a program that would subsidize private insurance plans.

The proposed changes have 82-year-old Georgia Mayberry riled up.

"I think it ought to be left alone," she said from her home on a hill up from the old May Hosiery Mill.

For 30 years, she punched a time clock at the mill and worked to "make production" while standing on a concrete floor. When the mill closed, she found work at a nursing home until retiring at age 65. The paychecks weren't big, but she still paid her part into the federal insurance program that guarantees health coverage for the old and disabled.

But rising health-care costs and aging demographics have made Medicare costlier than when Mayberry paid into the program. Ryan's proposal is estimated to save trillions of dollars.

The initiative among states is being organized by Health Care Compact Alliance, a 501(c)4 organization formed in January that does not disclose who funds it. So far, the legislation has been introduced in 12 states

and approved in Georgia, according to the organization's website.

"After they sent us the language, we had it drafted immediately and filed it," Beavers said. "Then I think we had to refile it because of some of the language. We've got to be careful to make sure we have the same language as other states, so we've been on conference calls with sponsors in other states and people working with the alliance."

The legislation does not specify what would change for Medicare beneficiaries or require Tennessee to take control. That's what appeals to White.

"We may in two years find out we don't want to do this," he said. "But in two years, we may find out this is a window we need."

But even if the next Congress and president were to approve a health-care compact, state Rep. Jeanne Richardson, D-Memphis, said she believes it would infringe on federal authority and be unconstitutional.

The Health Care Compact Alliance has a completely different take on the Interstate Compact Clause in Article 1 of the Constitution.

The organization believes that the power to regulate health care rests at the state level and that the Constitution does not specifically give this authority to the federal government.

While lawmakers are proposing health-care compacts, Ryan has proposed ending the current Medicare program for anyone who retires after 2012. His proposal would allow older Americans to choose among private insurance plans.

Concerns raised

Mayberry has warned people in her fairgrounds neighborhood about the proposed changes to Medicare.

"I just trust the ones that's been doing it," she said. "If we get all these new ones in that want to do away with it, I don't like that."

Karin Miller, a spokeswoman for AARP Tennessee, said Mayberry has good reason to be worried.

"This certainly should be of concern to all our members and to all the folks who are 50-plus," Miller said. "Although I understand that interstate compacts have worked in other instances, never has there been an interstate compact for health care like this. My understanding is that the bill really does not get into detail about how this is going to work. People who have paid into Medicare for all these years, expecting that they will have health-care coverage, may not have it. We don't know."

The Tennessee Health Care Campaign, an advocacy organization for wider access to health care, has sent out alerts opposing the state legislation.

"One of the things that is really interesting is all the state legislators who voted against the **compact bill** that moved out of the subcommittee of the House Health and Human Resources Committee — all these state legislators who voted no — got robo-calls that were initiated by the Health Care Compact Alliance. I mean hundreds of robo-calls," said Tony Garr, policy director.

"There is lots of money being put behind this Health Care Compact Alliance, and we don't know where the money is from or who is doing it."

The alliance says on its website that it does not accept money from political parties, pharmaceutical companies or insurance companies but also states that it "respects the wishes of its donors to keep their identities confidential."

Meghan Tisinger, a spokesman for the Health Care Compact Alliance, said the organization did not target specific legislators.

"This is an effort led by Tennessee volunteers," Tisinger said.

"There were a number of activities this week that may have generated calls, so it's impossible to say which citizens called which legislators in response to which activity."

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