

COLUMBIA MISSOURIAN

Alleged MU Health Care billing fraud part of national problem

By Jordan Shapiro

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COLUMBIA – Fraudulent Medicare billing uncovered at MU Health Care's Radiology Department fits into a larger national problem.

Two doctors have already resigned over preliminary results of the federal investigation, and the U.S. attorney's office in Kansas City is continuing the probe. In addition to possible criminal charges, MU could face monetary penalties from the federal government.

Michael Williams of the National Health Care Anti-Fraud Association said his organization estimates that health care fraud costs the federal government "tens of billions of dollars each year."

U.S. Attorney General Eric Holder and Health and Human Services Secretary Kathleen Sebelius teamed up to combat Medicare fraud starting in 2009. Since their efforts began, the federal government has collected more than \$6.6 billion from cases involving fraud, according to a February news release from the Health and Human Services Department.

"Fighting fraud is one of our top priorities and we have recovered an unprecedented number of taxpayer dollars," Sebelius said in the news release.

Accusations against MU Health Care involved billing for reviews of X-rays that allegedly weren't provided. In addition to billing for services that weren't provided, the National Health Care Anti-Fraud Association categorizes the most common types of health care fraud as:

- Billing for a higher level of treatment than was provided.
- Performing unnecessary procedures to collect insurance payments.
- Misrepresenting treatments as medically necessary when they actually are not.
- Falsifying a patient's diagnosis.
- Billing a patient more than the co-pay amount.
- Accepting kickbacks for patient referrals.

On June 1, MU Health Care announced the departure of Kenneth Rall and Michael Richards after they were implicated in a federal investigation by the U.S. attorney's office in Kansas City. Rall and Richards are accused of billing Medicare for reviewing patient X-ray images they allegedly did not review, in violation of the program's billing rules. The U.S. attorney's office is involved because Medicare is run by the federal government.

The investigation is ongoing, and MU Health Care Public Relations Manager Mary Jenkins said MU still does not know how many patients were involved or how much money was wrongly billed.

The investigation also triggered the resignation of Robert Churchill, dean of the MU School of Medicine. He was not implicated in the investigation.

Another case of health care fraud in Missouri, which came to light in February, involved Mercy Hospital in suburban St. Louis. The hospital was accused of unnecessarily keeping patients overnight after kyphoplasty, a procedure used to treat spinal fractures usually involving osteoporosis.

The St. Louis Post Dispatch reported that Mercy Hospital paid the federal government \$365,000 — part of a larger \$12 million collected from different hospitals across the country.

Williams said the federal government has created nine task forces across the country to prevent fraud from happening in the first place.

One of those task forces led to a crackdown on May 2, when 107 doctors and nurses in Los Angeles, Detroit, Miami, Houston, Tampa, Fla., and Baton Rouge, La., were charged by federal authorities for their roles in unrelated fraud schemes. The bust was estimated to involve \$452 million in Medicare fraud, a record amount.

Other university-owned hospitals have also been cited for Medicare fraud. In January, The Baltimore Sun reported a rehabilitation center owned by the University of Maryland Medical System was being sued by the government for \$8.1 million for allegedly misdiagnosing patients with malnutrition.

In May, the Justice Department announced that Temple University in Philadelphia settled for about \$400,000 over plastic surgery fraud.

Williams said specific statistics for university-owned hospitals are not computed by his association. Instead, they are lumped in with other hospitals.

Health care fraud became a federal offense in 1996 when Congress passed the Health Insurance Portability and Accountability Act. Under the law, health care fraud comes with a prison sentence of up to 10 years.

Williams said any consequences MU Health Care might face depend on the specific facts and whether the U.S. attorney's office decides to act.

In the Temple University fraud case, Joseph Kubacki was convicted of 73 counts of health care fraud and was sentenced to seven years in federal prison.

The U.S. Department of Health and Human Services announced that in 2011, 175 people involved in health care fraud were sentenced to prison for an average term of more than 47 months.

Medicare billing issues in MU Health Care's Radiology Department are not new. A 2010 internal audit from MU Health Care's Office of Corporate Compliance revealed 62.5 percent of cases reviewed had improper documentation for the services provided. By 2011, the audit was updated and said the problems were corrected, and a new case study revealed no problems.

But by June 1, MU Health Care had received preliminary findings of a federal investigation alleging billing fraud.

"We were shocked to learn about this because any kind of fraud is entirely inconsistent with our health system's values, our mission and our commitment to patient care," said Harold Williamson, MU Health Care vice chancellor.

When the resignations were announced June 1, Williamson said MU had no evidence that patient care was compromised and was giving patients the opportunity to have an outside physician review images if they choose.

The U.S. attorney's office in Kansas City declined comment on the investigation, citing Justice Department policy.

Supervising editor is John Schneller.

Board gives nod to Tiger Town street closure plan

By Jacob Barker

The Downtown Community Improvement District yesterday unanimously recommended approval of a street closure to accommodate Tiger Town, but not before a board member expressed concern about the vagueness of some of the plan's details.

The proposal is to close Eighth Street from Broadway to Elm Street for the University of Missouri pre-football game festivities. The Columbia City Council will decide whether to approve the request.

CID board member Richard King said he was "fully in support" of Tiger Town, but he said there are still many unanswered questions about how it will work. King was criticized last summer by some downtown business owners for street closure requests to accommodate his 9th Street Summerfest concerts, and it led to a review by the CID board and the city council over how the requests are processed.

"I'm having a hard time as someone who has been through this process understanding exactly what is going on," King said.

Since the beginning of the year, an independent committee has been working to organize a downtown fan zone to accommodate pre-game festivities during MU home football games. Organizers hope to introduce an expected influx of out-of-town fans from schools in the Southeastern Conference to downtown Columbia. But a number of details still must be hammered out, including how food vendors will be chosen and how beer vendors' prices will be set.

A survey about Tiger Town the CID sent to its members last week garnered 73 responses, and 82 percent said they supported the concept. Asked who should set vendor pricing for alcohol, 73 percent said downtown merchants. Tiger Town plans to give downtown businesses first priority to operate space on the festival's Eighth Street footprint, and most of the survey responders preferred Tiger Town decide who gets the booth space.

With some of the details undecided, King indicated the process for Tiger Town's street closure application seemed different than what he has had to go through. "I find it really hard to go along with this when everything seems pretty vague," he said. King ultimately voted to support the street closure.

Tiger Town organizer Greg Steinhoff said at the meeting he and others have tried to be very responsive to inquiries from business owners, meeting with many and communicating plans as they become available. "We've never not returned a phone call," he said.

Dan Rader, who works at Bengal's Bar & Grill, said large events such as the Roots N Blues N BBQ festival provide all the details to business owners well before they occur. "They know months in advance what they're doing," he said. "I hope you guys could show us the same courtesy so we can plan."

Tiger Town organizers plan to only hold the event for about four hours before kickoff in the hope that people come back downtown after the games to go to bars and restaurants.

But Steinhoff said organizers don't know exact times because kickoff times aren't released until several days before the game. Other changes to the plan have come at the behest of business owners, he said. "We've made several alterations to it to try to accommodate the interests, particularly the downtown businesses," Steinhoff said.

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Childhood Obesity Affects Math Performance

By MIKAELA CONLEY (@mikaelaconley)
June 14, 2012

Childhood obesity affects math performance in school, along with child's social skills and well being, according to a new study published in the journal Child Development.

Researchers from the University of Missouri analyzed data of more than 6,000 children in the Early Childhood Longitudinal Study-Kindergarten Cohort, which collected information from children starting in kindergarten and following them through the fifth grade. At five different times, parents reported family dynamics and teachers reported on the children's social skills and emotional well-being. Researchers tested the children on academics, and recorded their height and weight.

Kids who were obese throughout the study period performed worse on math tests in the first through fifth grades than children who were not obese.

"Obesity that persists across the elementary school years has the potential to compromise several areas of children's development, including their social and emotional well-being and academic performance," said Sara Gable, associate professor of nutrition and exercise physiology at University of Missouri and lead author of the study.

In addition to the math performance findings, obese children reportedly felt sadder, lonelier and more anxious than kids of healthier weights. Researchers said this emotional well being also could contribute to their poorer performances in math.

Obesity among children continues to grow in the U.S.; 17 percent, or about 12.5 million, children and teens are obese, according to the Centers for Disease Control and Prevention. Since 1980, obesity among the youth population has nearly tripled. One in seven low-income pre-school children is obese.

While weight may indeed contribute to poor school performance, there are likely several confounding factors that also contribute to an obese child's overall well-being, experts said.

"Obesity does not prevent kids from doing math, but obesity develops in families where there may be less oversight, less education, fewer resources," said Dr. David Katz, director of the Yale Prevention Center.

While a link between obesity and poor school performance has been established in the past, this study analyzes the connection between the timing of the obesity onset and factors including weight, behavior, relationships and academic performance.

The research looks to fill in the blank space that connects the weight dot to the academic performance dot, said Katz.

"Stress has been shown to affect brain development and functioning," Dr. Jennifer Cross, a pediatrician at the Komansky Center for Children's Health at NY-Presbyterian/Weill Cornell Medical Center, wrote in an email. "If obesity causes a child to feel chronically stressed (i.e. bullying, low self esteem, etc.), that could lead to differences in the brain."

While it is difficult to say whether obesity actually affects cognition, "we certainly can say that obesity affects everything from self-esteem to social standing to mood and even hormonal balance, so the likelihood that there would be a whole cascade of effects between weight and math test scores is very high," said Katz.

United Press International

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Autism healthcare costlier than diabetes

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COLUMBIA, Mo., June 14 (UPI) -- Children with autism spectrum disorders have higher costs for parents and insurance providers than children with diabetes, U.S. researchers say.

Nancy Cheak-Zamora, assistant professor of health sciences in the University of Missouri's School of Health Professions, compared costs and types of services for children with autism spectrum disorders to costs and services for children with other conditions like asthma or diabetes.

The study, published in Research in Autism Spectrum Disorders, found children with autism spectrum disorders paid more for healthcare and used more services, yet had less access to specialized care, than children with other conditions, the study said.

"Across the board, children with autism spectrum disorders used more healthcare services, including in-patient stays in the hospital and required more medications," Cheak-Zamora said in a statement. "Children with autism spectrum disorders need coordinated healthcare, better access to services and more affordable care. Insurance companies should develop policies that will cover the treatments children with autism spectrum disorders need."

Children with autism spectrum disorders are prone to other conditions -- such as seizures, sleep disturbances and gastrointestinal problems -- that can cause them to use health services more frequently, Cheak-Zamora said.

"Healthcare providers should address all these needs by providing care using the medical home model: Primary care that is comprehensive, coordinated and family-centered," Cheak-Zamora said.

United Press International

100 YEARS OF JOURNALISTIC EXCELLENCE

Partisan reactions to Affordable Care Act

COLUMBIA, Mo., June 13 (UPI) -- Strong partisan reactions are likely regardless of how the U.S. Supreme Court decides on the Affordable Care Act, a poll suggests.

The public, however, will be more disappointed if the court upholds healthcare reform than if the law is struck down, the University of Missouri Political Economics Research Lab said Wednesday.

Jeff Milyo, an economics professor at the university, said the Supreme Court's decision is likely to have serious repercussions on the presidential election.

A survey of 1,000 people last October found nearly 45 percent of respondents disapproved of healthcare reform and expected the court to strike at least part of the law. They would prefer the entire law be struck down, Milyo said. Democrats, the survey found, were much more favorable toward the law than Republicans.

"Our study noted that the odds on popular betting Web site Intrade suggest the court is likely to strike down at least part of the law," Milyo said. "In that event, proponents of healthcare reform will react strongly and probably attack the integrity of the court. It will be great political theater."

Milyo and colleague Lilliard Richardson found a stronger negative reaction will result if the court upholds healthcare reform.

"One lesson from the research is that opinions about controversial court decisions are less informative about the integrity of the court and more a reflection of prior beliefs about how the court should rule," Milyo said.

COLUMBIA MISSOURIAN

Humane Society welcomes new executive director, Mary Pat Boatfield

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By Janelle Pfeifer

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COLUMBIA — When you walk into Mary Pat Boatfield's office at the Central Missouri Humane Society, chances are good that you'll be greeted by Cole, a black poodle mix not much bigger than a loaf of bread.

His tail wagging like a flag in a blustery wind, he welcomes visitors with a silly dance. But no barks or licks — he has some manners. Cole is one of six pets, including three other dogs, a cat and a dove, that live with Boatfield in Hallsville. On May 29, Boatfield began her new job as executive director of the Humane Society, a position that has been vacant since October.

"My specialty is working with organizations that have a desire for structure and that need some financial development," she said. "I guess you could say I do turnarounds."

Boatfield applied for the job after seeing it posted on a national listserv. After 12 years as executive director of the Nashville Humane Association in Tennessee, Boatfield felt her work there was done.

"You do what you can do," she said. "In the life cycle of an organization, you need different leaders that have different visions. This job had to be the right position for where I am and where I want to go. Chemistry is really important."

Chris Koukola, vice president of the society's board of directors, said Boatfield was right for the Humane Society because of her depth of knowledge about animal welfare and her long leadership success in Nashville. Also, she said, Boatfield has a strong interest in building involvement with the community.

As part of the interview process, Boatfield took a look at the society's strategic plan, which calls for a capital campaign to expand the facility.

"We feel Columbia has the capacity to support the best kind of shelter," Koukola said. "She was very supportive of this plan, which made her a good fit."

Led spay, neuter program

In Nashville, Boatfield worked as a Disaster Animal Response Team, or DART, leader during the 2010 flood. Doug Balthaser, a veterinarian with the Tennessee Department of Agriculture, said he worked with Boatfield during this disaster.

He said her quick response included moving two of the humane association's emergency mobile units to a temporary American Red Cross center, located at the Lipscomb University basketball arena, before the flood waters rose too high. These units took in displaced pets while their owners took shelter inside the arena.

DART members also collected displaced animals in animal control vehicles and took them to the mobile units at the arena. Without her quick thinking, they would not have been able to set up any kind of shelter for the displaced animals during that flood, Balthaser said. Sharon Langford, a former member of the board of directors for the Nashville Humane Association, said Boatfield developed a strong spay and neuter program to decrease the number of stray dogs and cats.

Boatfield was involved in a study that analyzed areas where people encountered the most problems with stray animals, Langford said. Boatfield supported a program that sent a vehicle out to these areas on a regular schedule to spay and neuter animals. These efforts were effective in reducing the number of stray animals, Langford said. Boatfield hopes to implement a similar program in the Columbia area.

Langford also said that when Boatfield began at the association 12 years ago, it was in the process of building a new shelter. Even though the association was in transition, Boatfield continued to manage the shelter and decided the best ways to use the new space, she said.

"Her strength is her vision," Langford said. "She has a big picture approach and a very experienced background for a role like this." Now, the Nashville Humane Association has a facility 10,000 square feet bigger than the old building, Boatfield said. Langford said that because of Boatfield's outreach abilities, the association's volunteer program has grown as well.

Visibility key to stability, shelter

The society is one of only three open-door shelters in Missouri, meaning all animals are accepted into its care. Currently, about 80 animals including dogs, cats, rabbits and ferrets are housed at the shelter at 616 Big Bear Blvd.. This does not include animals living in foster care.

Despite a million-dollar renovation the Central Missouri Humane Society underwent two years ago, the shelter is making plans to build a new facility. Because this project is still in the preliminary stages, Boatfield said she wants to work toward getting a better marketing campaign to target donors.

"At the moment there is no marketing initiative to get the word out," she said. "We need radio, TV and print in order to get people to come to the shelter, and also so we are the first on their minds when donating."

That's key to creating financial stability, she said.

For 2012, the Humane Society's budget is about \$1 million with predicted expenses at \$936,810, according to Boatfield. Donations and fundraising account for 37 percent the revenue. Koukola said the down economy has been a huge factor because it causes a decrease in donations and an increase in the number of animals being dropped off.

In talking about her plans, Boatfield emphasized the importance of connecting the shelter with the MU College of Veterinary Medicine. The university already collaborates with the shelter.

"Every week, we send about 10 to 15 dogs to get spayed or neutered by (veterinary) students. It's mutually beneficial because they get experience, and it saves us money in the long run," said Colin LaVaute, shelter relations coordinator. LaVaute said that with no executive director for the past six months, work for the Humane Society's 26 employees has been difficult. Alan Allert stepped down in October for health reasons, and deputy director Julie Aber has filled in since then. The society had hired Kimberly Sherlaw as executive director in February, but she rescinded her acceptance for personal reasons.

"The staff has really come through the tough time," LaVaute said. "But we are just elated to have (Boatfield)."

'A very emotional position'

From a young age, Boatfield had a passion for animals. She began training German shepherds in grade school and continued through high school. She has worked with horses and owned a number of rabbits.

"I wanted to get into vet school, but in that day we were lucky if one or two women got into the school. It was very difficult," she said.

Boatfield said that although she did not get in to veterinary school, she received her state vocational certificate in animal sciences after attending agricultural education courses at Ohio State University. She earned her bachelor's degree in education from the University of Toledo and eventually a master's degree in education.

She worked at vocational schools for four years teaching animal science. Her first job at a not-for-profit organization was at the Toledo Area Humane Society, where she was executive director for 15 years until moving to Nashville.

Boatfield has been in the Columbia area only since May 24, so she is still acclimating. She said she liked the city and how it is still connected to agriculture and the land. She mentioned she loves her GPS because she considers herself "directionally impaired."

Boatfield, 62, has been working with animal-related organizations for more than 35 years. She admits that the job is still difficult.

"It's a very emotional position day to day," she said. "You have to work with animals that have been hit by cars, been abused or stolen. To make a difference in these dogs' lives is very draining and trying, but you end up making their lives much better."

To counter the emotional drain, Boatfield tries to busy herself with other projects when not working. She enjoys buying and rehabilitating houses.

"It's job that you can take off the pressure and create a project by ripping out a wall or arrange for plumbing," she said. "It's nothing animal-related."

Supervising editor is Elizabeth Brixey.

Health care reform law dictates changes for student insurance coverage

By BRIANNE PFANNENSTIEL

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Thousands of college students face serious sticker shock this year if they want school-subsidized health insurance.

The cost is expected to be sharply higher at some schools, while others have dropped coverage altogether.

They've discovered that the health care reform law sets dramatically higher coverage limits for student insurers.

For policies beginning July 1, for example, student health policies must cover expenses up to \$100,000 annually. For policies starting in the fall, the limit jumps to \$500,000, and in 2014 all limits are prohibited.

Most student policies now cap lifetime benefits at only \$50,000, a study from the Government Accountability Office recently found.

Insurers said the new limits will require higher premiums that colleges and students, particularly at smaller schools, are worried they can't afford.

And while there's a chance the U.S. Supreme Court will throw out the law later this month — making the new limits irrelevant — college administrators said they've had to finalize their coverage plans for the coming semesters assuming the law remains intact.

"We've had a lot of discussion among the chief financial officers about the dilemma," said Douglas Penner of the Kansas Independent College Association. "I think they were all grappling with the implications of the new minimums for coverage and trying to figure out whether they could provide anything close to the kind of coverage that's required and is economically feasible for students."

Some schools won't even try.

This year, for the first time in decades, Avila University will not offer health insurance plans for domestic students. Bethany College in Lindsborg, Kan., also opted out of health coverage — leaving more than 100 students potentially uncovered — after premiums were projected to rise from \$450 a year to \$2,500.

“It’s going to be scary given the number of students who were participating in those plans,” said Bob Schmoll, Bethany’s vice president for finance. “It’s going to be a lot of people who aren’t covered.”

The school has purchased accident coverage at a cost of \$11 per student.

The exact number of students who could lose their school-sponsored health coverage or pay higher costs is unclear. Many students are covered by their parents’ policies and wouldn’t be affected by the changes.

Federal studies suggest roughly 600,000 students — about 7 percent of those attending college — get their insurance at school, but those studies include data gathered before the health care law allowed virtually all students to stay on their parents’ coverage.

Not every school is dropping coverage for students. Some larger schools have been able to negotiate smaller premium increases.

And even those paying higher premiums will see a broader range of coverage under the new law, some administrators noted.

Diana Boyd McElroy, dean of student life at Park University, said she anticipates some concern when students see their health insurance premiums double this year from \$600 to \$1,200. But she said it’s still a more affordable option than some other alternatives and provides better benefits.

“We believe it is important for students to have accessible, somewhat inexpensive coverage available to encourage them to have a physician, schedule check-ups and stay healthy,” McElroy said of the decision to continue offering the plan.

In Kansas, Board of Regents schools participate in the Midwest Higher Education Compact, which received a grant to establish student health plans that comply with the new health care law.

As a result, schools in the system will see the annual cost of health insurance rise by about \$100 from \$1,148 to \$1,248 per student. Previously, the schools’ plans offered \$100,000 of coverage but put limits on certain claims such as physical therapy or prescription drugs.

“We’re really pleased with how it all came out and with this price,” said Diana Malott, associate director for student health services at the University of Kansas. “It has very definitely been an improvement for students.”

Malott said the biggest benefit for students is the removal of the \$1,000 cap on pharmaceuticals, which is the benefit students — especially those with chronic illnesses — typically use the most.

For schools within the University of Missouri system, prices for students will increase by about 7 percent.

Jennifer Hollingshead, chief communications officer, said tweaks such as raising deductibles from \$100 to \$250 and doubling prescription copays helped keep premiums down.

Regardless of the situation at a particular school, the changes offer a good opportunity for students and parents to re-evaluate their options, experts said.

Ron Rowe, vice president of individual and small group sales at Blue Cross Blue Shield, said students should first determine if they can get on their parents' policies at a low cost.

The Affordable Care Act allows young adults to stay on a parent's plan until the age of 26, although those plans can charge higher premiums for that coverage.

Some students may also qualify for a short-term security plan, which only lasts nine months, but may be an option for those anticipating employer coverage in the near future. The plans are cheaper because they don't cover pre-existing conditions or prescription drugs, Rowe said, but many healthy college grads don't find that to be necessary.

Students and graduates also can explore individual direct pay plans.

Regardless, assuming the Supreme Court leaves all or part of the law intact, the challenge of providing reasonable health insurance coverage for students is expected to grow in 2014, when standards become even higher.

That challenge may be met in part by new state-based health insurance exchanges, which are expected to be operational by then. In the exchanges, students and others can compare insurance options, with subsidies available for low-income individuals.

Rowe said students would qualify for those subsidies, likely removing colleges and universities from the health insurance game almost entirely.

"If the Supreme Court doesn't strike any of it down, most students are going to qualify for a subsidy to get a major medical plan through these new exchanges for a very little bit of money out of pocket," he said. "That doesn't mean it's free, because the American taxpayers are picking up the bill for that, but colleges won't be in the position with kids showing up for school on their campuses without coverage."

It isn't clear if students and others under age 26 who are now covered under their parents' plans will face an immediate crisis if the court overturns the law. Instead, many carriers are likely to keep the under-26 coverage even if the law is struck down, Rowe said.

"When the law was first passed...we as an industry saw that and thought that's not a bad thing," he said. "I think in general the insurance industry won't be real fast to say we're going to lower this to 19 or 22 or whatever the previous standards were."

Current Missouri law states that dependents can remain on their parent's health insurance until age 25, so residents would likely see a return to that standard.



Billions in subsidies at stake in votes on 5-year farm bill

MU mention page 3

WASHINGTON – Senate passage of a half-trillion dollar farm and food bill depends in part on resolving a dispute over subsidies between Southern rice and peanut growers and Northern corn and soybean producers.

But that regional divide was less in evidence Wednesday, as senators narrowly voted to maintain price supports and quotas for sugar producers.

Senators traditionally put partisanship aside on farm bills, and this year is no different. But the five-year farm policy bill also makes dramatic changes in how farmers are protected from financial and natural disasters and, as in all major changes, some see themselves as losers. In this case, it's the Southerners.

The bill ends \$5 billion a year in direct payments to farmers whether or not they actually plant a crop and ends programs that reward farmers when prices fall below a targeted level.

Instead, the government would offer a new "shallow loss" program to aid farmers when revenue falls between 11% and 21% below five-year moving averages and would put greater emphasis on subsidized crop insurance. Farmers' regular crop insurance would pay for losses above 21%.

Corn and soybean growers, who are more subject to natural disasters and rely on crop insurance, welcome the change. Rice and peanut growers, more affected by price fluctuations, say for them the new safety net is inadequate.

Senate Agriculture Committee chairman Debbie Stabenow, D-Mich., said she is talking to the Southern growers and was "confident that by the end of this process, we will come to the middle." But she said that might not happen until the House and Senate meet to iron out differences on their bills.

The Congressional Budget Office estimates the new shallow loss program could save taxpayers some \$8.5 billion over the next five years compared with the current subsidy system. The entire bill,

which also covers conservation and research programs, would reduce spending \$23.6 billion over the coming decade.

More than 200 amendments have been proposed, and in the first vote Wednesday the split was between sugar growers — sugar beet growers in the north and sugar cane growers in the South — and food and beverage companies and consumer groups who object to the depression-era sugar program that supports prices and protects growers from foreign competition.

The growers won, on a 50-46 vote to defeat an amendment to repeal the program. The farm bill does not touch the program, which opponents say artificially restricts supplies, forces businesses and consumers to pay more for sugar products and only benefits about 4,700 generally well-off growers. Defenders of the program say it creates a stable marketplace for producers, that U.S. sugar prices are below those of other developed countries and the program runs at no cost to taxpayers.

Fifteen Republicans joined 35 Democrats in voting against the amendment.

The Senate also voted 65-33 to defeat an amendment by Sen. Rand Paul, R-Ky., that would have drastically cut spending for the Supplemental Nutrition Assistance Program, or food stamps, and turned funding authority for the program over to the states.

Food stamps make up about 80% of the cost in the \$100 billion-a-year bill. The Senate bill would cut the program now serving about 46 million people by \$4 billion over the next decade — largely by targeting abuses. The Republican-controlled House would like to see a far bigger cut, mainly by tightening eligibility for food stamps.

Republican Sen. John Boozman, whose state of Arkansas is the nation's largest rice grower, said the Senate bill "will have a devastating impact on Southern agriculture." Republican Sen. Saxby Chambliss of Georgia, the leading state in peanut production, complained it "shoehorns all producers into a one-size-fits-all policy" that would force farmers to switch to crops that enjoy better coverage for losses.

The bill's two main sponsors, Stabenow and Agriculture Committee ranking Republican Pat Roberts of Kansas, defended their approach.

"People can always disagree with economists," Stabenow said on C-SPAN's "Newsmakers." "But I guess what I would say is what we have put in place ... it's fair for every commodity."

"This is a different year, this is a year we have to change," Roberts said in the same interview, adding that was made clear to all the commodity groups.

But rice and peanut farmers argue that the crop insurance and the new shallow loss or Agriculture Risk Coverage programs are better fitted to crops such as corn, where natural disasters such as floods and droughts can cause far greater fluctuations in yields. Many rice farmers, who irrigate their crops and have more consistent yields, don't have crop insurance to protect them from yield loss, but they do have to cope with large swings in prices and high production costs.

Linda Raun, who runs a 1,000-acre rice farm southwest of Houston and chairs the USA Rice Producers Group, said direct payments have been their only safety net in the past. Without price protection, banks won't lend them money, she said. "We've got to have a farm program that allows us to become bankable."

Raun said production costs amount to about \$1,000 an acre for rice. Because of a reliance on foreign export markets, prices can change rapidly. Currently prices for southern rice are not that good, unlike the strong prices enjoyed by corn and soybean growers.

A recent study by the Food and Agriculture Policy Institute at the University of Missouri in Columbia does show that rice and peanut growers who are the main beneficiaries of direct payments would lose more than 60% of their government support over the next decade under the new system.

But the same report also found that the shallow loss program was generally equitable among the major crop groups.

Southern senators are seeking to negotiate changes to the bill that would allow a choice between the Senate's current crop insurance and revenue protection programs and some modified form of existing target price program that compensates farmers when prices dip below a certain level and which is preferred by the rice and peanut growers. The bill already has a separate revenue insurance program tailored to the needs of cotton farmers.

If that fails, House Agriculture Committee Chairman Frank Lucas, R-Okla., has made clear that the yet-unwritten House bill will include an alternative to meet the concerns of those Southern planters.