



## FAMILY MEDICINE'S HEALTH REFORM EXPENDITURE PRIORITIES

### RECOMMENDATION

We support key expenditures, beyond the primary care physician payment incentives, authorized by the *Affordable Care Act* (ACA) needed to provide adequate and predictable financing for the vital work of improving access to health insurance coverage, health workforce training and placement, disease prevention, and patient-centered outcomes research. In particular, we urge the Congress to preserve the mandatory appropriations for the following funds and activities:

- *Prevention and Public Health Fund* – used in part to support primary care medicine training programs and important preventive health initiatives
- *Teaching Health Centers* – an innovative program, which is helping to increase primary care physician training capacity and train primary care residents in non-hospital settings where most primary care is delivered
- *Center for Medicare and Medicaid Innovation* – established to test and evaluate payment and service delivery models to reduce expenditures under Medicare, Medicaid and the Children's Health Insurance Program (CHIP) while preserving or enhancing the quality of that care
- *Community Health Center Fund* – supports the National Health Services Corps (NHSC) that provides access to health care to underserved Americans and offers medical student debt relief to attract new physicians into primary care specialties
- *Patient-Centered Outcomes Research Trust Fund* – supports improvement of the quality, safety, efficiency, and effectiveness of health care for all
- *Health Insurance Exchanges* – will establish a marketplace for individual and small-business health insurance.

### Prevention and Public Health Fund

The Prevention and Public Health Trust Fund is dedicated to supporting improvements in the overall health status in the nation to rein in costs and enhance productivity. This fund provides needed investment in research to fill gaps in knowledge about the most effective health promotion strategies. It also supports training for the primary care workforce necessary for a more efficient health care system. These public investments are crucial in long-term education, community projects, and other initiatives which promote healthy lifestyles. In FY 2012, the ACA provides \$1 billion for the Prevention and Public Health Trust Fund.

### Teaching Health Centers (THC)

The Medicare Payment Advisory Commission and the Council on Graduate Medical Education have repeatedly called for the promotion of community-based residency training. One of the creative programs included in the ACA authorizes Graduate Medical Education (GME) support for Teaching Health Centers. These are community health centers or similar venues which sponsor primary care residency programs that provide ambulatory training experiences in the

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health center – not just the hospital. In addition, research has shown that CHC-trained physicians are more than twice as likely as their non-CHC trained counterparts to work in an underserved area. The ACA authorizes and appropriates \$230 million for a five-year payment program to support accredited primary care residency training operated by community-based entities, including health centers.

### **Center for Medicare and Medicaid Innovation (“The Innovation Center”)**

The ACA authorizes the Innovation Center to establish a mechanism to improve the quality and efficiency of health care and link payment to quality outcomes under the Medicare, Medicaid, and CHIP programs. The Innovation Center, which is part of the Centers for Medicare and Medicaid Services, will test and evaluate innovative payment and service delivery models to reduce program expenditures within those federal programs while preserving or enhancing the quality of care furnished under them. The ACA appropriates \$10 billion for the period FY 2011 through FY 2019 for the Innovation Center.

### **Community Health Center Fund**

The National Health Service Corps (NHSC) provides scholarships or loan repayment as incentives to enter primary care and provide health care to underserved Americans. In recognition of the thousands of health professions’ vacancies at Community Health Centers across the nation, the ACA establishes within the Community Health Center Fund an appropriation for NHSC operations, scholarships, and loan repayments of \$295 million for FY 2012.

### **Patient-Centered Outcomes Research Trust Fund**

The Patient Centered Outcomes Research Institute for clinical comparative effectiveness research will provide physicians and patients with useful information about various diagnostic tools and treatment options. We believe that such research will contribute to better individual health care decisions and support the \$1.26 billion appropriated by the ACA to fund the new Patient-Centered Outcomes Research Institute and its comparative effectiveness research activities.

### **Health Insurance Exchanges**

A key component of ACA is the authority to award grants to states for health insurance exchanges, or marketplaces to provide improved access to insurance coverage. The US Department of Health and Human Services will establish initial guidance on forming exchanges and outlining basic components a product must have to qualify for this new marketplace. States will retain a great degree of flexibility in how exchanges operate, what benefits and products the exchanges can or should include beyond the federal floor, and how patients and physicians interact with insurers and their products within the exchanges. Exchanges will provide a forum for individuals and small businesses to compare and purchase private health insurance plans. We support the reforms of the health insurance industry designed to assure individuals will have the health insurance they need to pay for primary care services. The ACA does not impose a ceiling on the costs associated with this program, but the Congressional Budget Office estimates that the costs will total \$358 billion between 2010 and 2019.