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NEXT WEEK IN WASHINGTON...

- * On May 5, Senate HHS Appropriations Subcommittee will hold a hearing on NIH funding.
- * On May 6, House Energy and Commerce Subcommittee on Health will consider HR 4700 – *Transparency in All Health Care Pricing Act*, HR 2249 – *Health Care Price Transparency Promotion Act*, and HR 4803 – *Patients' Right to Know Act*

1. NIH DIRECTOR WARNS HOUSE APPROPRIATORS OF FUNDING CRUNCH IN FY 2011

National Institutes of Health Director Francis Collins, MD, PhD announced on Wednesday, April 28 that 13 additional human embryonic stem cell lines have been approved for federal funding and added to the NIH Stem Cell Registry. At the April 28 hearing before the House Appropriations Subcommittee which funds all of the agencies within the Department of Health and Human Services, Dr. Collins testified that NIH will face a “crunch” in FY 2011 when a two-year allotment of \$10.4 billion in stimulus funding for research runs out.

In the current fiscal year, NIH has a \$31 billion budget, not including about the funds from the economic stimulus law. In his FY 2011 budget proposal, President Obama has called for an increase of \$1 billion, for a total of \$32 billion for NIH. That is an increase of about 3.2 percent — which matches the inflationary index for biomedical research according to Dr. Collins. He went on to point out that science does not do well with a “feast or famine” approach to funding. When the Chairman of the Appropriations Committee, Rep. Dave Obey (D-WI) objected to that remark wondering whether the short term stimulus funds were worth it, Dr. Collins assured him that he was glad to have the money.

2. FAMMEDPAC TAKES OUR MESSAGE TO FEDERAL LEGISLATORS

FamMedPAC and AAFP participated in the following events in Washington this week:

- **Rep. Zach Space (D-OH)** serves on the Health Subcommittee of House Energy and Commerce. At a fundraising event for him on April 28, Rep. Space explained his vote against the Senate health reform bill saying that he was concerned about policies within the

- **Rep. John Dingell (D-MI)**, the longest-serving member of the House of Representatives and Chairman Emeritus of the House Energy and Commerce Committee, has been calling for health care reform since he was elected in 1955. Rep. Dingell had attended the April 28 hearing on antibiotic overuse and was quite energized on the topic. At the fundraising event later that evening, his chief of staff assured GR staff saying "we are working on your issue: the SGR." However, there was no specific indication of how the flawed Medicare SGR formula would be handled.
- **Democratic Congressional Campaign Committee** business roundtable on April 29 gave GR staff the opportunity to speak with **Reps. Dennis Cardoza (CA), Xavier Becerra (CA), Mike Thompson (CA), Joe Crowley (NY), and Earl Pomeroy (ND)**. Rep. Cardoza is grateful for family medicine's support for his vote shown by a letter to the editor in a paper in his district and appreciates our strong working relationship with his office. He expressed a willingness to consider sponsoring our proposal for a Primary Care GME Modernization Pilot. Rep. Pomeroy will try to arrange his schedule to be able to address the FMCC Tuesday morning May 11th. Rep. Becerra encouraged family physicians, as frontline providers, to help with education and implementation of the PPACA. He was also interested in discussing our proposal for a Primary Care GME Modernization pilot.

3. NHSC WILL AWARD 125 PRIMARY CARE SCHOLARSHIPS FOR 2010

The National Health Service Corps announces its 2010 Scholarship Program. In return for a commitment to service in the NHSC for two to four years upon completion of their training, NHSC scholarship winners receive payment for tuition, fees and reasonable expenses and a monthly stipend. The program is open to U.S. citizens or U.S. nationals who are full-time students in an accredited allopathic or osteopathic medical school. Applications are due by 5:00pm EDT on June 1, 2010. More information is available on the NHSC website at <http://www.nhsc.hrsa.gov/scholarship/>.

4. NEW MISSOURI LAW REQUIRES PROMPT PAYMENT FROM INSURERS

On April 27, Missouri Governor Jay Nixon (D) signed prompt payment legislation ([HB 1498](#)). Effective January 1, 2011, the new law:

- Lists responsibilities for providers filing claims, giving providers and insurers a clear definition of a clean claim.
- Requires insurers to either pay or deny claims within 45 days of receipt. Insurers will no longer be allowed to "suspend" claims, which can delay payment indefinitely.
- Charges insurers that do not pay claims within 45 days a daily penalty to the health care provider of one percent of the outstanding claim.

The bill was introduced in response to a [2009 report](#) from the Missouri Department of Insurance showed significant payment delays in the claims filed with insurance companies across the state with the average urban hospital reporting 25.6 percent of claims more than 90 days past due and 37 percent for rural hospitals.

5. COLORADO TO EXPAND MEDICAID BY 67,500 NEW ENROLLEES

A law that Governor Bill Ritter (D) signed in April 2009 will soon take effect. The Health Care Affordability Act ([HB 1293](#)) will allow the state's Medicaid program to accept an additional 67,500 people. Hospitals, as required by the new law to contribute funding in order to receive an increase in federal matching funds, recently made initial payments. The state is using the additional money—expected to reach \$1.2 billion annually—to pay back hospitals for treating patients who are either uninsured or on Medicaid, as well

as expanding coverage under Medicaid. Eligibility for the child health plan is increasing from 205 percent of the federal poverty level to 250 percent, and for parents with a child on Medicaid, eligibility in Medicaid will rise from the current 60 percent FPL to 100 percent. The new fee also will allow the state in 2012 to expand Medicaid eligibility to childless adults and set up a Medicaid "buy-in" program, which will allow people with disabilities to work and receive Medicaid benefits.

6. VERMONT LIKELY TO ENACT UNIVERSAL HEALTH CARE BILL

Both chambers of the Democratic-controlled General Assembly passed different versions of a measure ([SB 88](#)) to establish universal health care in Vermont. The original version of the bill, passed by the Senate, calls for the eventual establishment of a single-payer system. The House amended the bill, adding a public option, which would allow the state to create a health insurance program to compete with private payers. Legislators currently are working out the details in a conference committee. Governor Jim Douglas (R) has not yet indicated what he will do with the bill if it reaches his desk. He supports certain cost-containing provisions of the legislation but does not approve of either bill in its entirety as the state could not pursue such plans until 2017 as required by the new federal health care law. Either system—single-payer or a public option—would require federal approval.

7. STATES PREPARE TO IMPLEMENT FEDERAL HEALTH CARE REFORM

One month after the President signed the federal health care reform legislation, implementation planning has started in five states—Colorado, Connecticut, Maine, Maryland and Wisconsin. Created via executive orders, the governors of these states established the infrastructure, including new committees, councils, and boards, needed to review the new law, examine specific strategies, and put the provisions into practice. The AAFP chapters of these five states already are exploring opportunities for family physicians to play an active role in implementation. For additional information, refer to [AAFP News Now](#).