

July 1, 2011

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### NEXT WEEK IN WASHINGTON...

- \* The House will return after July 4 from a week-long recess for legislative business including deficit reduction talks. The Senate has canceled its post-Independence Day recess.
- \* Senate Budget Committee Chairman Kent Conrad (D-ND) will release the FY12 budget on Tuesday, July 5.

## 1. AAFP DESCRIBES MEDICAID PROGRAM AT CONGRESSIONAL BRIEFING

The Partnership for Medicaid, a coalition of safety net providers, including AAFP, held a briefing for Congressional staff on June 28 to highlight the importance of Medicaid and underscore the need to avoid drastic cuts to the program as proposed in various federal debt and deficit reduction proposals, including the House budget. AAFP Board member Conrad Flick, MD spoke to a packed briefing room on the basics of [Community Care of North Carolina](#) (CCNC) and how utilization of the patient-centered medical home saved the state millions even as the number of enrollees increased. Joining him on the panel were Christine Ferguson, JD, former Massachusetts health commissioner under Governor Mitt Romney; Rhonda White, a mother from Washington, DC whose daughter receives Medicaid coverage through the District's home- and community-based services (HCBS) waiver; and, George Leventhal, a member of the Montgomery County (Maryland) Council.

Ms. Ferguson opened the briefing with an overview of the Medicaid program, its impact on state budgets within divisions other than health, such as transportation and social services, and the need for federal discussions on Medicaid funding and reform. Dr. Flick provided the audience with a real-world example of successful, sustainable Medicaid reform, discussing how CCNC evolved from focusing on specific chronic conditions to broader programs, including a new medical home focused on expecting mothers. Dr. Flick also discussed the high levels of satisfaction from family physicians and patients and elements needed to contain long-term costs. Ms. White, speaking on behalf of herself and her daughter, put a face to Medicaid for attendees, relaying the vital importance of DC's HCBS waiver in ensuring her child could receive care and remain at home with her family. Mr. Leventhal discussed the role of county and local governments in administering Medicaid and supporting Medicaid patients. The question-and-answer period offered several opportunities for Dr. Flick to respond to audience

members' interest in targeted care coordination programs, such as those for behavioral health, and emphasize the importance of comprehensive, coordinated care for all patients with a strong primary care foundation in reducing a fragmented health care system.

## **2. FEDERAL APPEALS COURT FINDS IN FAVOR OF HEALTH REFORM LAW**

On Wednesday, June 29, the federal 6th Circuit Court of Appeals in Ohio upheld the personal responsibility (or individual mandate) in the *Affordable Care Act* in a 2-1 ruling. Two other appellate courts in Virginia and Georgia have also heard cases challenging the law and are expected to hand down rulings in the near future.

## **3. AAFP COMMENTS ON HHS PLAN TO REVIEW BURDENSOME REGULATIONS**

In a [letter](#) sent June 29, the AAFP responded to a request for comment on the U.S. Department of Health & Human Services' (HHS) Preliminary Plan for Retrospective Review of Existing Rules. This [plan](#) is in accordance with Executive Order 13563 that was issued by President Obama on January 18, 2011. In our comment letter, the AAFP expressed appreciation that the White House and HHS recognize the importance of a more streamlined, effective, and efficient regulatory framework. The letter then pointed out that regulations are prone to unintended consequences, many of which place unfunded financial mandates on physicians. The AAFP then discussed costs of providing translators for Medicare and Medicaid patients, time wasted on Part C and Part D prior authorization paperwork, overlapping documentation and certification requirements, convoluted quality and health information technology incentive programs, inconsistent claims review processes by CMS contractors, the need to promptly implement administrative simplification provisions, and the need to reevaluate the Medicare enrollment process and physician signature requirements.

## **4. REGULATORY BRIEFS**

- In a [letter](#) sent June 23, the AAFP commented on the Institute of Medicine's (IOM) proposed continuous assessment and improvement study. The AAFP commended the IOM's proposal as representing the noble cause of improving the quality of healthcare, then offered detailed recommendations on certain aspects, such as the measurement, training, public perception, potential barriers, and timeline, of their plan.
- On June 28, the Centers for Medicare & Medicaid Services released [data](#) indicating that in the first five months of 2011, nearly 500,000 people with Medicare Part D who reached the gap in coverage known as the "donut hole" received the automatic 50 percent discount on their covered brand name prescription drugs. These beneficiaries saved a total of \$260,534,102, or an average savings of \$545 per beneficiary.
- The AAFP participated in a coalition letter sent June 28 to the National Association of Insurance Commissioners (NAIC) Task Force on Professional Health Insurance Advisors regarding the medical loss ratio. Under the *Affordable Care Act*, health insurer broker fees are considered administrative expenses. Recently, some policy makers have pushed to weaken this provision. The coalition letter opposes efforts to weaken the medical loss ratio definition, points out that data on broker fees is inconclusive, and states that no evidence has indicated that consumers have lost access to brokers.
- The AAFP recently nominated Dr. Laura Pickler to serve on the Agency for Healthcare Research and Quality (AHRQ) Children's Health Insurance Program Reauthorization Act (CHIPRA) Pediatric Quality Measures Program expert [panel](#).
- On Thursday July 21 from 1:30pm – 3:00pm ET, CMS will host a national conference call on "The ABCs of the Initial Preventive Physical Examination (IPPE) and Annual Wellness Visit (AWV)". The agency is expected to discuss basic information about each benefit, when to perform these services, coding and billing requirements, and then offer a question and answer session. [Registration](#) for this call is required. For more information download [the ABCs of Providing the Initial Preventive Physical Examination](#),

the [ABCs of Providing the Annual Wellness Visit](#), and the [Guide to Medicare Preventive Services](#). In addition, CMS posted a prevention focused [letter](#) that was recently sent to all physicians from CMS Administrator, Donald M Berwick, MD.

## 5. FamMedPAC ENDS FIRST HALF OF 2011 IN STRONG POSITION

FamMedPAC closed out the first half of 2011 with strong fundraising and contribution numbers. Since the first of the year, the PAC received over \$270,000 in donations and made over \$211,000 in campaign contributions. More than 1,000 AAFP members contributed to the PAC in the first half of the year. If this pace can be sustained, the PAC will reach its goal of raising \$1 million for the election cycle. Campaign contributions from the PAC have gone to both parties in almost equal amounts: \$108,000 to Republicans and \$103,500 to Democrats. The PAC participated in an event this week for:

- **Sen. Harry Reid (D-NV)**, the Majority Leader of the Senate. Senator Reid focused on the debt ceiling negotiations, saying there would be no significant Medicare or Medicaid changes in the final agreement, and that the SGR formula would not be addressed until the end of the year.

## 6. ARIZONA SUPREME COURT ALLOWS MEDICAID ELIGIBILITY CUT

The Arizona Supreme Court refused to block the state from scaling back its Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS). Eligibility standards for the program initially will reduce enrollees by an estimated 17,000 people and about 150,000 within a year. A 2000 voter-approved initiative requires the state to cover anyone below the federal poverty level—about \$18,500 a year for a family of three. Also gone would be coverage for adults making at least 75 percent of the poverty level, though their children would continue to receive care.

Vice Chief Justice Andrew Hurwitz, who signed the order, gave no reason for the ruling. Public interest advocates took the unusual step of making their legal plea directly to the high court—which justices are not required to accept. Because this issue was approved by voters, advocates contend that lawmakers and the governor are legally powerless to countermand the initiative. The governor and Attorney General Tom Horne argued that the change is designed to save \$282.4 million in the new budget year which also begins Friday. Although plaintiffs seek declaratory judgment and injunctive relief so lower courts can review the case, the cuts likely will continue to take effect July 1. On the [Arizona Academy of Family Physicians website](#), details on the proposed cuts and information specific to potentially affected patients are available.