GOVERNMENT AFFAIRS WEEKLY

AAFP Government Relations — 1133 Connecticut Avenue, Suite 1100, NW — Washington, DC 20036

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IN THIS REPORT…

NEXT WEEK IN WASHINGTON…

* On July 1, the interest rate on subsidized undergraduate Stafford student loans will double, but Congress may address this issue retroactively.
* The House and Senate will be in recess next week to mark the 237th anniversary of the Declaration of Independence.

1. CMS SAYS 13 STATES ARE PAYING INCREASED MEDICAID PRIMARY CARE RATES

On Friday, the AAFP, along with representatives of AMA, AOA, ACP, and AAP, spoke with officials at CMS regarding the implementation of the Medicaid primary care payment increase, mandated by the *Affordable Care Act*. CMS reported that the federal government has approved State Plan Amendments from every state Medicaid program, except California's.

Officials reported that Alabama, Arkansas, Florida, Kansas, Massachusetts, Maryland, Maine, Michigan, Missouri, Montana, Pennsylvania, Vermont and Wyoming are paying at the enhanced rate for Medicaid fee for service, retroactively to January 1.

CMS also reported that:

- States that will begin paying the new rate in their fee for service programs by the end of June are: Idaho, Indiana, Kentucky, Louisiana, Ohio and South Carolina
- States that will begin July 1: Colorado, Connecticut, Mississippi and Oregon
- State that will begin July 2013: Washington

CMS cautioned that altering payment rates in managed care programs is more complicated and will take some additional time. They did provide this update on states making increased payments to eligible primary care physicians participating in Medicaid Managed Care Programs:

- States currently making increased payments: Maryland and Massachusetts

- States that will begin soon**:** Florida, Colorado, Indiana, Mississippi, Ohio, Oregon and Pennsylvania.

2. HOUSE SUBCOMMITTEE HOLDS A HEARING ON MEDICARE BENEFIT REDESIGN

On Wednesday, June 26, the House Health Subcommittee of the Energy and Commerce Committee held a hearing to look at the Medicare benefit design and examine ways to improve the program, which is nearly 50 years old. Its enrollment could reach more than 63 million Americans by 2020 but could become insolvent as early as 2027. The Medicare program has remained largely unchanged resulting in an array of different coinsurance and deductible levels and a "traditional" or fee- for-service structure that inhibits care coordination, encourages overutilization and results in increased costs.

There seems to be bipartisan agreement that Medicare's current benefit design could be improved and modernized while ensuring the programs sustainability for future generations. Testifying at the hearing were Katherine Baicker, PhD, Professor, Health Economics, Harvard School of Public Health; Thomas Miller, JD, American Enterprise Institute, and Patricia Neuman, ScD, MS, Henry J. Kaiser Family Foundation.

In talking about the Medicare programs benefits package and the need for supplemental insurance as witnessed by the fact that nearly 90 percent of beneficiaries have supplemental insurance, Dr. Baicker said that when care is supplemented, people use more of it, and costs are driven up. Supplemental insurance, from an economic perspective might actually provide too much coverage for the stability of the Medicare program. Value-based cost sharing makes long-term sense to her.

Rep. Frank Pallone (D-NJ) asked the witnesses how they would design a plan that protects people with limited resources while meeting their needs. He suggested offering beneficiaries an incentive to follow a healthy lifestyle and adopt a preventive approach with proper diet and exercise since it is far cheaper to treat chronic disease if dealt with before complications occur. Rep. John Shimkus (R-IL) advocated for getting more information to the consumer who could then drive what choices are available. He asked if people can shop for auto insurance why can't they do the same for health insurance.

3. SENATE PASSES IMMIGRATION REFORM

On Thursday, June 27, the Senate approved sweeping immigration reforms by a bipartisan vote of 68 to 32. The *Border Security, Economic Opportunity, and Immigration Modernization Act* (S 744) now goes to the Republican-controlled House, where there is significant opposition. Although the AAFP sent a letter to the Senate advising the Senators that the AAFP policy on health care coverage for all leads the organization to support extension of subsidies for health care coverage to those who are included in the new set of immigrants, that provision was not included in the bill.

4. AAFP VOICES CONCERN OVER POSSIBLE APRN LICENSE EXPANSION

In a June 20 letter to the Secretary of Veterans Affairs (VA), the AAFP expressed concern with how the VA is implementing a policy change in the practice responsibilities of Nurse Practitioners (NPs) throughout the VA's health system. The letter objects to an alleged VA policy change within the Nursing Policy & Practice Handbook that would provide all advanced practice registered nurses a "full license" to practice regardless of laws in the state where the VA facility is located. The AAFP letter voices concern that the public is not being given pertinent details or opportunity to provide input and then concludes by asking the VA to solicit public comment.

5. NOMINATION SENT FOR ADVISORY PANEL ON OUTREACH AND EDUCATION
The AAFP sent a letter on June 24 to the Centers for Medicare & Medicaid Services (CMS) that nominates Roanne Osborne-Gaskin MD, MBA, to fill one of six vacancies on the Medicare, Medicaid, and Children's Health Insurance Programs Advisory Panel on Outreach and Education (APOE). The APOE is charged with advising and making recommendations to the U.S. Department of Health and Human Services (HHS) and CMS on the effective implementation of national education programs.

6. FAMILY MEDICINE COMMENTS ON GME PROVISIONS IN PROPOSED REGULATION
In a June 24 letter sent to CMS, the AAFP and the organizations of the Council of Academic Family Medicine commented on the Graduate Medical Education (GME) provisions within the 2014 proposed inpatient prospective payment system regulation. The letter first opposes the proposed inclusion of labor and delivery beds for direct GME purposes since the policy would disproportionately impact community teaching hospitals more than academic medical hospitals. CMS proposes to modify how Critical Access Hospitals (CAHs) bill GME costs and the comment letter expressed concern that this clarification would disrupt existing rural training tracks. The letter also objected to how CMS inconsistently uses the terms "nonhospital" and "nonprovider" within the proposed rule as it relates to CAHs. The letter then discusses how CAHs are typically too small to support residency training programs on their own, and encourages CMS to contemplate further GME reforms to meet the needs of a changing health care workforce and patient population.

7. FamMedPAC WRAPS UP BUSY JUNE
FamMedPAC supported four Congressional meetings in Washington, DC this week, capping off a busy June. The PAC supported 17 candidates this month, making $42,000 in campaign contributions since over 1,000 AAFP members have contributed to the PAC since January 1. FamMedPAC supported the following legislators this week:

- **Rep. Earl Blumenauer (D-OR)**, a member of the Health Subcommittee of the House Ways and Means Committee.
- **Rep. Pat Tiberi (R-OH)**, who is a member of the House Ways and Means Committee, has a good working relationship with AAFP and with FamMedPAC Chair Dr. Randy Wexler.
- **Sen. Orrin Hatch (R-UT)**, the Ranking Republican on the Senate Finance Committee and a member of the HELP Committee.
- **Sen. Tom Harkin (D-IA)**, the Chair of the Senate HELP Committee and Chair of the Labor HHS Subcommittee of the Senate Appropriations Committee.

8. GRASSROOTS UPDATE
The *Primary Care Workforce Access Improvement Act* (HR 487) is currently being reviewed by the health subcommittees of the House Committees on Energy and Commerce and Ways and Means. Residents were asked to send letters to their Representatives who serve on those Committees and encourage them to co-sponsor this bill. The letter sent by residents explains the importance of non-hospital training for primary care residents.

9. HHS RELEASES MARKETPLACE ELIGIBILITY FINAL RULE
On June 26, HHS released a final rule on health insurance marketplaces which defines eligibility for certificates of exemption from the individual shared responsibility payment. The rule also clarifies the responsibilities of the HHS Secretary in determining minimum essential coverage.

10. STATES BEGIN SELECTION OF MARKETPLACE IN-PERSON ASSISTANCE
Three states during the week of June 24 released information on grantees who will provide in-person assistance in their health insurance marketplaces. Colorado selected fifty-eight groups

across the state, including 19 community/non-profit and faith-based organizations. Nevada selected eight groups to serve as Exchange Enrollment Facilitators, which include the state's navigators and in-person assisters. Washington has selected ten organizations, which will share $6 million in grant funding. States will continue to announce in-person assistance grantees ahead of open enrollment on October 1, 2013.

11. REGULATORY BRIEFS

- On June 27, CMS launched a redesigned Physician Compare website. According to the agency, the goal of the redesign is to improve the accuracy and currency of the information on the website as well as improve the usability and functionality for all users.
- On June 27, CMS announced that "Due to concerns that some providers and suppliers may need additional time to establish operational protocols necessary to comply with face-to-face encounter requirements mandated by the Affordable Care Act for certain items of durable medical equipment, CMS will start actively enforcing and will expect full compliance with the DME face-to-face requirements beginning on October 1, 2013." Prior to this announcement, CMS was expected to begin enforcement on July 1, 2013.