

November 22, 2013

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NEXT WEEK IN WASHINGTON...

- * The final 2014 Medicare Physician Fee Schedule is expected on or before Wednesday, November 27 and will generally be effective on January 1, 2014.
- * Both chambers of Congress will be in recess next week for the Thanksgiving holiday.

1. SGR REPEAL SET FOR SENATE FINANCE COMMITTEE DEBATE

On Thursday, December 12, the Senate Finance Committee is scheduled to consider a bill to replace how Medicare pays physicians. The action indicates that the committee will move ahead with the plan to pass a replacement bill this year, although time is running short. The Finance Committee and House Ways and Means Committee released a joint discussion draft [framework](#) on Oct. 31 that would repeal the current payment formula, known as the sustainable growth rate. The AAFP submitted its [evaluation](#) of the proposal two weeks later.

The House Ways and Means Committee has not yet scheduled a markup, according to a committee aide.

To avoid having physician payments cut on January 1, lawmakers need to pass some kind of bill. With the tight deadline, a temporary reimbursement patch is likely. Such a patch would buy lawmakers more time to work on the larger replacement measures.

The joint committee draft is based on the *Medicare Patient Access and Quality Improvement Act* (HR 2810) that the House Energy and Commerce Committee approved unanimously on July 31. The two committees hope their joint proposal will offer a less-expensive alternative to the Energy and Commerce bill, which the Congressional Budget Office found would cost \$175.5 billion over 10 years.

Reid Blackwelder, MD, president of the AAFP, praised the draft proposal for encouraging physicians to build on the patient-centered medical-home model and other alternative payment

models. He also provided several recommendations, including increasing financial assistance for individual physicians and small practices to help them participate in the new models.

The joint draft proposal would allow physicians to either stay in Medicare's traditional fee-for-service system or move to alternative payment models. Those who stayed in fee-for-service would have their payment rates frozen for 10 years, although they would be able to get incentive payments for participation in a comprehensive, value-based quality program.

That draft proposal would consolidate Medicare's three existing quality programs into a single, budget-neutral program that would give higher payments to doctors who provide high-quality, high-value care.

Physicians who receive a significant portion of their revenue from alternative payment models in which they assumed some financial risk would also be eligible for bonus payments. The models could include patient-centered medical homes, accountable care organizations and bundled payment models.

In 2016 and 2017, providers would need to receive at least 25 percent of their Medicare revenue through the alternative payment model to receive a 5 percent bonus. That threshold would increase over time. Those physicians also would be exempt from having their performance judged under the value-based quality program.

AAFP [grassroots activists](#) have sent 1,330 letters to Congress over the past two weeks regarding this issue.

2. TEACHING HEALTH CENTERS GME REAUTHORIZATION INTRODUCED

Senator Bernie Sanders (I-VT) introduced legislation (S1759) to reauthorize the Teaching Health Centers program on November 21. Initially authorized by Section 5508 of the *Affordable Care Act* for "Increasing Teaching Capacity," the Teaching Health Centers Graduate Medical Education (THCGME) program will expire in 2015 without reauthorization. The AAFP signed a joint [letter](#) dated November 18 in support of the measure, and AAFP is working with the staff of the HELP Subcommittee on Primary Health & Aging and others to get this program reauthorized as soon as possible so that THCs now recruiting residents entering in July 2013 will have funding for their third year of training.

The THCGME program was initially authorized at \$230 million over five years starting in 2011 to support an increased number of primary care residents and dentists trained in community-based ambulatory patient care settings. It is administered by the Health Resources and Services Administration (HRSA) which makes payments for direct expenses associated with sponsoring an approved graduate medical or dental residency training program and indirect expenses associated with the additional costs relating to training residents in such programs.

By 2016, HRSA expects there will be 60 programs across the country training a total of 775 residents at a time. To continue the program for an additional five years and provide some flexibility so that current programs can add additional residents and a small number of newly eligible community health centers can apply for funding, this bill authorizes \$800 million over five years from FY2016 through FY2020.

The THCGME reauthorization bill has six cosponsors: Senators Maria Cantwell (D-WA), Chuck Schumer (D-NY), Bob Casey (D-PA), Dick Durbin (D-IL), Tom Udall (D-NM), and Martin Heinrich (D-NM).

3. HOUSE SUBCOMMITTEE REVIEWS 7 PUBLIC HEALTH BILLS

The Subcommittee on Health of the House Energy and Commerce Committee held a hearing on Wednesday, November 20 to review 7 bills that involve prescription drug abuse, poison control centers, liability protection for volunteer health care professionals at community health centers, newborn screening, Lyme disease prevention, causes of sudden unexpected death of infants and treatment for traumatic brain injuries. The bills discussed included:

- H.R. 610: To provide for the establishment of the Tick-Borne Diseases Advisory Committee
- H.R. 669: To improve the health of children and help better understand and enhance awareness about unexpected sudden death in early life
- H.R. 1098: To reauthorize programs relating to traumatic brain injury and trauma research
- H.R. 2703: To provide liability protections for volunteer practitioners at health centers
- Discussion Draft: To reauthorize the poison center national toll-free number, national media campaign and grant program
- Discussion Draft: To amend and reauthorize the controlled substance monitoring program

4. HEARING ON REGULATING MOBILE MEDICAL APPS HELD

On Tuesday, November 19, the Subcommittee on Health of the House Energy and Commerce Committee held a hearing entitled “Examining Federal Regulation of Mobile Medical Apps and Other Health Software.” The focus of the hearing was the Food and Drug Administration’s (FDA) final medical apps guidance published in September 2013, which indicated the agency’s intent to regulate apps as medical devices. While this would allow the agency to regulate all mobile medical apps, FDA also announced, and repeated several times in the questioning by Subcommittee members, the agency’s intention to use enforcement discretion to regulate only a subset of all mobile medical apps including those that are used as an accessory to a regulated medical device; or transform a mobile platform into a regulated device.

5. NEW HAMPSHIRE FAILS TO PASS MEDICAID EXPANSION

The New Hampshire Senate voted down plans to expand Medicaid coverage on Thursday, November 21. The Republican Senate also voted to bar implementing the expansion in the future until the state receives federal permission to use federal funds to pay for private insurance for some adults who are already on employer-sponsored plans through an existing state program. Democratic Governor Maggie Hassan has stated that she will continue her efforts to win legislative authorization.

6. NEBRASKA HEALTH BOARD SUPPORTS EXPANDED SCOPE FOR OPTOMETRISTS

The State Board of Health of Nebraska decided on November 18 that the scope of practice for optometrists should be expanded. By a vote of 9-4, the board approved the proposal to allow Nebraska optometrists to prescribe oral steroids, oral anti-glaucoma medications, and oral immunosuppressants. The proposal would also allow optometrists to perform surgical procedures related to the treatment of cysts or infected eyelid glands. Fewer than 20 other states allow optometrists to inject medications or perform minor surgical procedures. The Nebraska legislature may consider [the board recommendations](#) during the 2014 session.

7. STATE HEALTH INSURANCE MARKETPLACES SEE SIGNIFICANT PROGRESS

State-run health insurance marketplaces have received 326,623 applications for coverage in their health insurance marketplaces during the first month of open enrollment. These applications represent more than 516,248 individuals who are seeking coverage. In these states, more than 212,865 individuals have been determined to be eligible for Medicaid or the Children's Health Insurance Program (CHIP).

California, Colorado, Kentucky, and Washington have achieved significant progress in their state marketplaces. More than 192,000 individuals have completed applications in California, and nearly 80,000 of those applicants were determined eligible for Medicaid or CHIP. Colorado has received applications from more than 36,000 individuals who are eligible for marketplace coverage. Kentucky has received more than 50,000 completed applications, which represent 76,294 individual applicants. Nearly 120,000 individuals have applied for coverage in Washington, and more than 48,000 of those individuals are eligible for Medicaid or CHIP.

8. FamMedPAC HOSTS NEW MEMBER, SUPPORTS KEY LEGISLATORS

FamMedPAC hosted a fundraising breakfast in the AAFP Government Relations offices in Washington, D.C. this week for a freshman Representative from Washington State. The PAC, which has received \$380,000 in donations this year from over 1,800 AAFP members, also supported events for several important Congressional leaders. The PAC supported the following legislators this week:

- **Rep. Dennis Heck (D-WA)**, who is in his first term in Congress. Rep. Heck has a long relationship with the Washington Academy of Family Physicians and served in the Washington state legislature for 10 years. The fundraising breakfast took place in the AAFP Government Relations office.
- **Rep. John Larson (D-CT)**, who serves on the House Ways and Means Committee.
- **Rep. Kevin Yoder (R-KS)**, who is a member of the House Appropriations Committee represents Leawood, Kansas, where AAFP has its headquarters.
- **Rep. Dan Maffei (D-NY)**, re-elected in 2012 after being defeated in 2010, wrote a letter to House leadership urging repeal of the Medicare physician payment formula this year. Over 250 House members have signed the letter.
- **Rep. Charles Boustany (R-LA)** is a thoracic surgeon and member of the House Ways and Means Committee.
- **Rep. Diana DeGette (D-CO)** is a member of the House Energy and Commerce Committee.
- **Sen. Michael Enzi (R-WY)** is a member of both the Senate Health, Education, Labor and Pensions Committee and the Senate Finance Committee.
- **Rep. Barbara Lee (D-CA)** serves on the House Appropriations Committee.
- **Rep. Ed Whitfield (R-KY)** is a member of the Health Subcommittee of the House Energy and Commerce Committee.

9. REGULATORY BRIEFS

- On November 15, the Medicare Payment Advisory Committee (MedPAC) released the updated [2013 Medicare Payment Basics series](#) which provide an overview of 18 payment systems
- CMS has scheduled several educational events on a variety of topics. [Registration](#) is required for each.
 - On November 25 from 2:00pm to 3:00pm ET, "National Partnership to Improve Dementia Care in Nursing Homes."
 - On December 3, from 1:30pm to 2:30p ET, "Physician Value-Based Payment Modifier under the Medicare Physician Fee Schedule 2014 Final Rule."

- On December 17 from 1:30pm to 2:30pm ET, “2014 Physician Fee Schedule Final Rule: Quality Reporting in 2014.”
- On November 19, the U.S. Department of Agriculture [announced](#) grants for 71 projects spanning 42 states and the District of Columbia that support efforts to connect school cafeterias with local farmers and ranchers through its Farm to School program. Selected [projects](#) will serve more than 13,000 schools and 2.8 million students, nearly 45 percent of whom live in rural communities.