

November 8, 2013

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NEXT WEEK IN WASHINGTON...

- * On November 13, the House Oversight and Government Reform Committee is scheduled to hold a hearing on HealthCare.Gov
- * Also on November 13, the Joint Budget Conference Committee is scheduled to hold its second official meeting.

1. MEDPAC MEETS ON MEDICARE PAYMENT POLICIES

The Medicare Payment Advisory Commission (MedPAC) met on November 7 and 8 in Washington, DC. One of the sessions was entitled “Initial Approach to the Payment Update and Other Policy Options for Physicians and Other Health Professionals.” At this session, the Commissioners deliberated on the direction of several proposed recommendations for physician payment that will be included in its March 2014 Report to Congress. MedPAC’s current recommendations to Congress for the physician payment system include (1) repeal the SGR and establish a 10-year path of legislated updates, with higher updates for primary care; (2) require CMS to collect data to improve the relative value of services; (3) require CMS to identify misvalued services in the fee schedule and rebalance them; and (4) encourage ACOs by creating greater opportunities for shared savings.

The Commissioners also discussed whether to republish recommendations that MedPAC had made in the past but had not yet been enacted by Congress, including: (1) the establishment of a neutral expert panel within CMS to provide an alternative to AMA RUC; (2) reducing payment for certain services done in the same session; (3) requiring prior authorization for certain imaging services; and (4) reforming payment for Medicare GME. There appeared to be a consensus that they would republish these recommendations.

During the deliberations, there was strong consensus among the 17 commissioners that Medicare needed to do more to support primary care which has become “passively devalued” according to one commissioner. Views were expressed that Medicare’s fee-for-service system does not support care coordination, including critical non-face-to-face work that improves care and prevents more dramatic and costly interventions. Views were expressed that Medicare payment structures should reinforce the use of teams in delivering care. Commissioner Alice

Coombs stated that the primary-care workforce is “very fragile.” The Commissioners also agreed broadly that Medicare GME funding should be reformed to encourage new models of training, whether or not Congress decides to expand the number of Medicare-funded residency slots.

2. CMS ADMINISTRATOR APPEARS BEFORE SENATE HELP COMMITTEE

Marilyn Tavenner, the Centers for Medicare and Medicaid Services administrator, tried to still the fears of the members of the Senate Health, Education and Labor Committee in a hearing on Tuesday, November 5, as part of the ongoing examination of the rollout of HealthCare.gov. She tried to reassure lawmakers that the administration can meet its goal of having the website up and running by late November and that they have ready a campaign to encourage young people as well as consumers whose health plans have been canceled to give this program a chance. Tavenner assured the committee members that the campaign to drive consumers to the site will not be launched until the site is stabilized over the next few weeks.

Among the Senators most displeased was Maryland Senator Barbara Mikulski, a Democrat who said that the enrollment problems that have persisted for more than a month sparked a “crisis of confidence” and that the website is just too confusing for people to use. Republican members of the Committee were persistent in questioning whether the public could trust that HealthCare.gov will protect personal information. Other concerns shared with Ms. Tavenner included one raised by Senator Lisa Murkowski (R-AK) that only three people had enrolled in the federal exchange in Alaska as of last week. The Administrator responded that the problem is being investigated and is unique to Alaska. Senator Lamar Alexander (R-TN) pressed her on why President Obama promised everyone could keep his or her health insurance when the administration knew that some plans would be eliminated.

3. AAFP REITERATES CONCERN WITH VA NURSING HANDBOOK CHANGE

In an October 28 [letter](#) sent to the Veterans Affairs (VA), the AAFP and 22 other national physician organizations as well as 43 state medical societies expressed strong concerns regarding the draft Veterans Health Affairs (VHA) Nursing Handbook, which would mandate that all advanced practice nurses (APRNs) within the VHA be designated as independent providers, without regard to state practice acts. The letter argued that some of the changes proposed may significantly undermine the delivery of care within the VHA while disregarding the states’ role in regulating the health and safety of their residents in the delivery of health care services. The letter argued that greater coordination through the use of more flexible collaborative practice agreements and protocols between VHA and physicians and APRNs, taking a team-based approach to care, can address much of the primary care demand within the VHA. The letter concluded urging that revisions be made to the draft VHA Nursing Handbook to ensure that current VHA policies in support of physician-led health care teams and state-based licensure and regulation remain unchanged. Separate from the October 28 coalition letter, the AAFP had sent a similar [letter](#) to the VA on June 20, 2013.

4. AAFP SUPPORTS IHS HEALTH PROFESSIONS TAX FAIRNESS ACT

The AAFP and 26 other organizations sent a [letter](#) to Congress urging legislators to cosponsor the *Indian Health Service Health Professions Tax Fairness Act* (HR 3391) on November 1. This bill, which was introduced on October 30 by Rep. David Valadao (D-CA) with 16 bipartisan cosponsors, seeks to change the tax treatment of Indian Health Service (IHS) loan repayments. The IHS Indian Health Professions (IHP) program scholarships and loan repayments are not currently excluded from gross income for federal tax purposes. This measure also has the support of the Obama Administration which is seeking to exempt scholarship and loan repayment funds from gross income to make this recruitment and retention tool more attractive to potential participants.

5. 2013 STATE LEGISLATIVE CONFERENCE WRAP-UP

On November 1 and 2, representatives from thirty-six states attended the 2013 AAFP State Legislative Conference outside of Denver, Colorado. Chapter presidents and leadership, chapter executives and staff, as well as AAFP leadership and staff attended. The meeting featured speakers and panels on Scope of Practice, the Medicaid Expansion, Medical Malpractice Reform, the Colorado Health Insurance Marketplace, Opioid Abuse Treatment Innovation, State Lobbying, Rural Workforce issues, and other issues affecting AAFP members at the state level. The conference received an overwhelmingly positive review from attendees. AAFP staff is in the process of posting presenter materials on the [AAFP's Slideshare](#) website and getting these materials to attendees.

6. FamMedPAC SUPPORTS KEY SENATE REPUBLICAN

FamMedPAC participated in a Washington, D.C. event for Senator Chuck Grassley (R-IA), who serves on the Senate Finance, Budget, and Judiciary Committees. Senator Grassley is deeply involved in the current debates surrounding the *Affordable Care Act* and the repeal of the Medicare Physician Fee Schedule' Sustainable Growth Rate (SGR) formula.

7. REGULATORY BRIEFS

- On November 7, HHS [announced](#) the release of \$150 million in awards to support 236 new health center sites across the country estimating that these investments will help care for 1.25 million additional patients at community health centers in 43 states.
- On November 7, the FDA [announced](#) a proposal to rescind the “generally recognized as safe” status for artificial trans-fat, having determined there is no safe level in food. It is the first move toward removing the ingredient from all American food products. The FDA seeks comments which will be due in early January 2014.
- On November 7, the Department of Veterans Affairs [announced](#) progress in reducing the backlog of disability compensation claims – from 611,000 to 400,835 or 34 percent — since peaking in March. Concurrently, VA improved the accuracy of disability ratings, and provided hundreds of thousands of claims decisions to veterans.
- CMS will conduct several educational [events](#). [Registration](#) is required for each.
 - On November 15, 2-3:30 ET, “Streamlined Access to PECOS, EHR and NPPES”
 - On November 25 from 2-3:30pm ET, “National Partnership to Improve Dementia Care in Nursing Homes”
 - On November 12 from 1-2pm ET, “Discussion of the Hospital Inpatient Admission Order and Certification; Two Midnight Benchmark for Inpatient Hospital Admissions” As part of this CMS recently released [New Guidance on the Physician Order and Physician Certification for Hospital Inpatient Admissions](#).