

September 20, 2013

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NEXT WEEK IN WASHINGTON...

- *On Tuesday, September 24, the Senate Health, Education, Labor and Pensions (HELP) Committee will hold a hearing titled "U.S. Efforts to Reduce Healthcare-Associated Infections."
- * Also, on September 24 at 3pm ET, CMS will hold a free national call on the 2012 Quality and Resource Use Reports - Mapping a Route to Success for the 2015 Value-Based Payment Modifier. [Registration](#) is required.
- * On Thursday, September 26, the Senate HELP Subcommittee on Children and Families will hold a hearing on newborn screening systems.

1. AAFP HELPS FORM COALITION TO PROTECT PHYSICIAN-PATIENT RELATIONSHIP

A number of physician and provider groups came together this week to discuss how to respond to the growing proposals for legislative interference in patient-physician relationships. State legislatures are looking at an unprecedented number of laws and regulations that improperly infringe on clinical practice and physician-patient relationships. There are several examples, including prohibiting physicians from discussing with their patients risk factors that may affect their health as recommended by evidence-based guidelines and requiring physicians to provide—and patients to receive—diagnostic tests or medical interventions that might not be supported by clinical evidence, or by the judgment of the physician and patient.

2. HOUSE PASSES BILL TO STRIP FUNDING FROM HEALTH REFORM

Facing the October 1 start of the federal fiscal year with none of the 12 appropriations bills enacted, the House on Friday, September 20 passed a stop-gap government spending bill (HJ Res 59) by a vote of 230 to 189. The House-passed measure, known as a Continuing Resolution (CR), would prevent a government shutdown and continue the current overall spending level of \$986 billion until December 15. It also seeks to prohibit the expenditure of funds authorized by the *Affordable Care Act* (ACA).

This vote sends the measure to the Senate for action. The White House announced that President Obama would veto the House spending bill in a [Statement of Administration Policy](#)

issued on September 19. However, a veto is expected to be unnecessary as the Senate Majority Leader Harry Reid (D-NV) has made it clear that the Senate Democrats will not approve any measure that defunds the ACA. This battle is expected to continue as the House and Senate prepare for negotiations with the White House over a measure to increase the debt ceiling which the House Republicans might use to try to repeal or delay the ACA.

3. HOUSE SUBCOMMITTEE HOLDS HEARING ON ACA IMPLEMENTATION

With less than two weeks before the health law's open enrollment is scheduled to begin, Director of the Center for Consumer Information and Insurance Oversight Gary Cohen testified Thursday, September 19 before the Energy and Commerce Committee's Oversight and Investigations Subcommittee. Legislators asked him about the administration's preparedness for the October 1 launch and the functionality of the health care law's Navigator program.

In late August, members of the subcommittee sent letters to 51 Navigator grant recipients regarding their intended use of taxpayer dollars, plans for assisting with enrolling individuals and families in the health care law, and how they would minimize fraud and security risks. Mr. Cohen objected to the investigation, stating it was "utterly without foundation." and that it took the workers away from their preparations.

4. AAFP AND OTHERS URGE THE ADMINISTRATION TO REGULATE E-CIGARETTES

The AAFP signed a [collation letter](#) sent on September 19 to the White House, FDA, and HHS. The letter urges the Administration to move forward promptly with an FDA rule that would assert the agency's authority over all tobacco products, including e-cigarettes, little cigars, cigars and other tobacco products not currently under its jurisdiction. The 2009 *Family Smoking Prevention and Tobacco Control Act* gave the FDA immediate authority over cigarettes, smokeless and roll-your-own tobacco and gave the authority to the Secretary of Health and Human Services to deem other tobacco products subject to FDA's jurisdiction. The letter argued that there is no reason to further delay the regulation of e-cigarettes, especially since the industry is using a number of marketing techniques originally employed by the cigarette companies to addict youth, including the use of candy and fruit flavors.

5. SCOPE OF PRACTICE VICTORIES IN CALIFORNIA

This was a successful session in the legislature for physicians in California legislature. The General Assembly defeated two of the most dangerous scope of practice expansion bills because of the hard work of our California AFP and their colleagues at the other medical associations. Senate Bill 491 would have allowed nurse practitioners independent practice and prescriptive authority, allowing them to open practices and prescribe drugs without any oversight from physicians. The bill died in the CA Assembly Appropriations Committee after a proposal within the bill was amended to allow nurse practitioners to work autonomously only in certain group settings, like hospitals or clinics, and the American Association of Nurse Practitioners pulled their support of the bill altogether. Senate Bill 492, which was also defeated, would have allowed optometrists to examine, diagnose, prevent, and treat any disease, condition or disorder "of the visual system, the human eye, and adjacent related structures." However, this bill is expected to be reintroduced next year.

6. PENNSYLVANIA PROPOSES ALTERNATIVE TO EXPANDING MEDICAID

This week, Pennsylvania Governor Tom Corbett (R) proposed an alternative plan to expanding the state's traditional Medicaid program under the *Affordable Care Act (ACA)* model. Gov. Corbett's plan, which has yet to be approved by the U.S. Department of Health and Human Services (HHS), intends to divert federal subsidies targeted for regular Medicaid expansion to help qualifying low-income PA residents to buy private health insurance. In addition, the proposal would put additional requirements on current Medicaid beneficiaries by asking them to pay a modest monthly premium, rather than paying co-payments for office visits. One of the

most controversial provisions in the proposed plan would require Medicaid recipients to actively search for work. Corbett's plan is modeled after comparable proposals in Iowa and Arkansas.

7. MICHIGAN GOVERNOR SIGNS MEDICAID EXPANSION BILL INTO LAW

On Monday, Michigan Governor Rick Snyder (R) signed House Bill 4717 into law, which officially expands the state's Medicaid program. The expansion will cover 470,000 more Michigan residents, adding them to the one fifth of the state already enrolled in the program. In passage, the bill authorizes \$1.7 billion coming into the state from the federal government for the purpose of enrolling low income residents in health insurance plans.

8. FamMedPAC BOOTH AT CONGRESS OF DELEGATES; EVENTS IN DC THIS WEEK

FamMedPAC will have a booth outside the Congress of Delegates meeting next week in San Diego. PAC Board Chair Randy Wexler, MD, FAFAP, will be available to answer questions about the PAC and will address the Congress on Tuesday, September 24 at 3:00 PM. Attendees will be able to make contributions to the PAC during the meeting. The PAC is hosting a reception for all donors at the "Club George" level and above on Wednesday night, where Congressman Scott Peters (D-CA), who represents the San Diego area, will be the special guest. The PAC will also be part of the Advocacy booth in the AAFP Marketplace during Scientific Assembly later in the week.

This week, the PAC supported events for the following legislators in Washington, D.C.:

- **Sen. Susan Collins (R-ME)**, who serves on the Senate Appropriations Committee
- **Sen. Jack Reed (D-RI)**, a member of the Labor-HHS Subcommittee of the Senate Appropriations Committee.
- **Rep. Kurt Schrader (D-OR)**, a member of the New Democrat Coalition where he serves on the Coalition's Health Roundtable.

9. AAFP UPDATES GRASSROOTS HUB

This week, www.aafp.org/grassroots was updated to reflect the policy changes in Congress. An email blast highlighting the new action alerts will be sent to those attending the AAFP's Congress of Delegates.

10. REGULATORY BRIEFS

- On September 11, the Health Resources and Services Administration [awarded](#) about \$4.4 million in grants to expand the rural health information technology workforce. The grants will help rural organizations in 15 states train health care staff, unemployed workers, veterans and others to meet the technology needs of rural hospitals and clinics.
- On September 13, CMS [announced](#) release of a [final rule](#) that implements a methodology for reducing Medicaid Disproportionate Share Hospital (DSH) allotments. The final rule implements a reduction methodology for only FY 2014 and FY 2015 with a methodology for subsequent years to follow based on the experience and data gained.
- Also on September 13, HHS announced awards of approximately \$67 million to health centers including \$19 million made available by the Affordable Care Act, to establish 32 new health service delivery sites. These new sites are intended to increase access to preventive and primary health care to more than 130,000 additional people. Grants listed by organization and state are available [online](#).
- On September 18, CMS issued a proposed rule implementing part of the *Affordable Care Act* that requires the development of a prospective payment system methodology for Federally Qualified Health Centers (FQHCs). Under the proposed PPS, Medicare proposes to pay FQHCs a single encounter rate per beneficiary per day for all services provided. The rate would be adjusted for geographic variation in costs and for the higher costs associated with furnishing care to a patient that is new to the health center or is

receiving a comprehensive initial Medicare visit. CMS estimates that the proposed payment system would increase Medicare payments to FQHCs by approximately 30 percent for services furnished to Medicare beneficiaries. Over [2600 \(8.1%\)](#) AAFP members primarily work in a FQHC. Separate from the FQHC provisions, this proposed rule also modifies the Clinical Laboratory Improvement Amendments regulations giving CMS more discretion in enforcing proficiency testing referral rules. In addition, the rule would allow rural health clinics to contract with non-physician practitioners. The AAFP is analyzing the proposed rule and will comment on it before November 18.

- Also on September 18, CMS released the annual National Health Expenditure projections report. It suggests that spending growth is expected to increase in 2014 with economic improvement and expanded coverage under the Affordable Care Act. The finding may indicate that slowed spending is largely tied to the economy, rather than the ACA. The report also found that the rates of health care spending in several major sectors would be below their peak rates in the previous decade, including hospital and prescription drug spending, out-of-pocket spending, and Medicare. An [article](#) on the National Health Expenditure Projections was published in the journal Health Affairs.
- On September 19, HHS [announced](#) that enrollment in the Medicare Advantage (MA) program is projected to increase for the fourth straight year. The average MA premium in 2014 is projected to increase by \$1.64 coming to \$32.60. HHS projects that 99.1 percent of beneficiaries will have access to a plan. HHS also announced that the average estimated basic Medicare prescription drug premium plan in 2014 is projected to be \$31 per month. The Annual Open Enrollment period for health and drug plans begins on October 15 and ends December 7.