GOVERNMENT AFFAIRS WEEKLY

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August 1, 2014

IN THIS REPORT…

NEXT WEEK IN WASHINGTON…

* The Congress will be in recess until September 8.
* On August 5-6, the Health Resources & Services Administration Advisory Committee on Training in Primary Care Medicine and Dentistry will meet in Rockville, Maryland.

1. CONGRESS CLEARS VA HEALTH ACCESS BILL WITH AAFP SUPPORT

The *Veterans Access, Choice, and Accountability Act* (HR 3230) passed both chambers of Congress and will be sent to the White House for the President's signature. The House voted 420 to 5 on Wednesday, July 30 to approve the bill, and the Senate concurred the following day by a vote of 91 to 3. Once signed into law, the package will allow eligible veterans, who cannot get an appointment at the Veterans Health Administration within 30 days of the appointment request, to seek care outside the VA system. Family physicians who participate in Medicare will be eligible to execute provider agreements with the VA to help alleviate the backlog. The bill requires the VA to create a number of new systems within 90 days of enactment, including (1) distributing a "Veterans Choice Card" to all eligible veterans allowing them to get care outside the VA; (2) establish procedures for entering into provider agreements with physicians and other providers; (3) negotiate payment rates with outside providers not to exceed Medicare rates (except in highly rural areas); and (4) establish systems for claims processing, appointment tracking, and other functions to ensure program integrity and continuity of care.

The package also includes provisions to strengthen the VA's physician workforce, including authority to add up to 1,500 new graduate medical education residency positions, to be prioritized in primary care and mental health. Upon Congressional passage the AAFP released the following statement in support of the bill.

2. AAFP SUPPORTS EXTENDED MEDICAID PARITY PAYMENTS

The AAFP sent a letter of support for the *Ensuring Access to Primary Care for Women & Children Act* (S. 2694) introduced by Senators Sherrod Brown (D-OH) and Patty Murray (D-WA) on July 30. The legislation would extend for two years the provision from the *Affordable Care*

Act (ACA) that ensures reimbursement parity for primary-care doctors treating Medicaid patients (i.e. payment of minimum Medicare rates). Under current law, federal funds for the enhanced payments under Medicaid will expire on January 1, 2015 (though notably, selected state Medicaid programs have announced plans to continue making enhanced payments using state dollars). In addition, on July 31, two prominent House Democrats introduced similar measures: first, Rep. Frank Pallone (D-NJ) introduced the *CHIP Extension and Improvement Act of 2014*, which would among other things extend Medicaid parity through the end of 2019, and Rep. John Lewis (D-GA) introduced the *Medicaid Parity Act of 2014*—a standalone measure that would also extend Medicaid payment parity for five years beyond the current expiration date.

3. IOM REPORT ON GME OVERHAUL

This week, the Institute of Medicine (IOM) released its highly anticipated report, "Graduate Medical Education That Meets the Nation's Health Needs." The report offers comprehensive recommendations as to how to transform the physician workforce through some $15 billion in annual public investment in residency and fellowship training. Notably, the report recommends that the United States maintain its level of investment while transitioning to a new method of paying teaching hospitals and residency programs. Among other things the IOM recommends eliminating the cost-based Medicare GME formulas that have prevailed since 1983 that subsidize training positions based on the number of Medicare inpatient days in that hospital. The report also suggests that DGME and IME payments be folded into a single payment system, while setting aside 10 percent of such funds for "transformational" activities that incentivize correcting the maldistribution of physicians across specialty. The AAFP released a statement praising the report as "consistent with our policies on transparency and accountability to align our investment in GME with the health care needs of our population."

4. AAFP SUPPORTS SENATE GME REFORM PROPOSAL

The AAFP sent a letter to Senate Budget Committee Chair, Sen. Patty Murray (D-WA) in support of her GME reform legislation. Sen. Murray's bill (S 2728) would authorize direct GME payments to "Community-Based Medical Education" programs from Medicare IME and extend the authorization for the current Teaching Health Center GME program through 2019. The bill was referred to the Senate Finance Committee.

5. AAFP URGES CMS NOT TO REMOVE IMPORTANT CME EXEMPTION POLICY

In a letter sent August 1 to the Centers for Medicare & Medicaid Services, the AAFP disagreed with the agency's proposal to delete the Continuing Education Exclusion included in the 2015 proposed Medicare Physician Fee Schedule. CMS suggested that the deletion of this policy would remove an unintended redundancy from the final rule and expand the range of educational events that are appropriately exempt from reporting. The AAFP argued that the deletion of the section would create more confusion and more unwanted consequences than it purports to resolve. The AAFP letter reminded CMS that the agency originally recognized that industry support for accredited or certified CME is a unique relationship that calls for a unique treatment and that remains unchanged today. The AAFP urged CMS to specify that certified or accredited CME by the five organizations named in the final rule remain exempt in order to preserve the distinction between certified or accredited CME and other educational programming. CMS is accepting comments on this proposed rule until Sept. 4, 2014.

6. AAFP RESPONDS TO RULING IN FLORIDA FIREARMS "GAG LAW" CASE

AAFP issued a statement in response to a court ruling upholding a Florida law that discourages doctors from asking patients about gun ownership. Last Friday, in a 2-1 ruling, the 11th U.S. Circuit Court of Appeals in Atlanta reversed a federal judge in Miami, who struck down the law in 2012 saying that the statute infringed on doctors' free-speech rights. AAFP President Dr. Reid Blackwelder was quoted as saying the decision "deals a considerable blow to the patient/physician relationship, and deprives patients from the full range of preventive medical care they deserve."

7. FamMedPAC WRAPS UP BUSY JULY, SUPPORTS IMPORTANT LEGISLATORS

FamMedPAC closed out a busy month in Washington by supporting two important legislators this week. The PAC received almost $25,000 in donations in July, from 164 AAFP members. For the year, FamMedPAC received $328,000 in donations from 1,458 AAFP members, for a two-year election cycle total of $763,481. FamMedPAC made $697,200 in campaign contributions so far this cycle. The PAC supported the following Members this week:

- **Sen. Richard Shelby (R-AL)**, Ranking Member on the Senate Appropriations Committee.
- **Rep. Steve Scalise (R-LA)**, the newly elected Majority Whip in the House.

8. NEW GRASSROOTS RESOURCES MAKE IT EASY TO MEET YOUR LEGISLATORS

Recess isn't a break for legislators coming back from Washington; it's a great opportunity for them to meet with constituents, like you back in the district. This August, AAFP's grassroots team provides multiple resources for you to plan and execute a great Congressional meeting in the district. We encourage you to meet specifically about the Medicare sustainable growth rate (SGR).Congress was never closer to repealing the SGR, so now is a pivotal time to urge your Representative and Senators to build upon the progress made and implement a with a Medicare payment system that supports family physicians.

9. REGULATORY BRIEFS

- On July 24, HHS announced that about 6.8 million Americans will receive premium rebates averaging $80 per family from health insurers who did not meet medical loss ratio requirements in 2013.
- On July 28, the Medicare Trustees report was released. It projects that the trust fund that finances Medicare's hospital insurance coverage will remain solvent until 2030, four years beyond what was projected in last year's report. During the past four years, per capita Medicare spending growth has averaged 0.8 percent annually, much more slowly than the average 3.1 percent annual increase in per capita GDP and national health expenditures over the same period.
- On July 29, HHS released information showing that more than 8.2 million Medicare beneficiaries continue to enjoy prescription drug savings as a result of the ACA, saving $11.5 billion since 2010.
- On July 31, CMS announced the Bundled Payments for Care Improvement initiative which is comprised of four broadly defined models of care, which link payments for multiple services beneficiaries receive during an episode of care. Under the initiative, organizations enter into payment arrangements that include financial and performance accountability for episodes of care. These models may lead to higher quality and more coordinated care at a lower cost to Medicare.
- On July 31, HHS issued a final rule that announces Oct. 1, 2015 as the new compliance date for health care providers, health plans, and health care clearinghouses to transition to ICD-10, the tenth revision of the International Classification of Diseases. As part of this announcement, HHS urges providers, insurance companies and others in the health care industry time to ramp up their operations to ensure their systems and business processes are ready to go on Oct. 1, 2015.
- On July 31, CMS projected that the average premium for a basic Medicare Part D prescription drug plan in 2015 will increase by about $1, to an estimated $32 per month, continuing its historically low growth rate.
- CMS will host several free educational calls, registration is required for each:
    - How to Interpret Your 2012 Supplemental Quality and Resource Use Report, August 13, at 1:30 pm ET
    - National Partnership to Improve Dementia Care in Nursing Homes, August 19, 1:30 pm ET