

March 28, 2014

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NEXT WEEK IN WASHINGTON...

- * The Senate is expected to hold a roll call vote Monday on the 12-month SGR patch.
- * On Tuesday, April 1, the House Energy and Commerce's Health Subcommittee will hold a hearing on FDA's proposed changes to generic drug labeling.
- * On Thursday, April 2, the House Energy and Commerce's Health Subcommittee will hold a hearing on the *Helping Families in Mental Health Crisis Act*.
- * On Thursday, April 2, the Senate Labor, Health and Human Services, Education Appropriations will hold a hearing on the National Institutes of Health.
- * The Medicare Payment Advisory Commission (MedPAC) meets Thursday and Friday.

1. SGR WOULD BE EXTENDED FOR A YEAR IN HOUSE BILL; SENATE VOTES MONDAY

On Thursday, March 27, the House passed a temporary 12-month extension of the Medicare SGR formula that would avert a 24-percent reduction in physician payment scheduled to take place on April 1. If enacted into law, the *Protecting Access to Medicare Act* (HR 4302) sponsored by Rep. Joe Pitts (R-PA), would provide a 0.5-percent update to Medicare physician fees through the end of 2014, and no increase to fees through the end of March 2015. On Monday, March 31, the Senate is vote on the measure. If it is approved and signed by the President early next week, it would cause minimal if any disruption in CMS's ability to pay physician claims on time. The AAFP released a [statement](#) in advance of the House vote.

Earlier in the week, Senator Ron Wyden (D-OR), chairman of the Senate Finance Committee, introduced *The Commonsense Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014* (S. 2157), a bill that would repeal the SGR. The Wyden bill includes all the language of the bipartisan-bicameral repeal agreement that Congress unveiled on February 6, which the AAFP supports. The Wyden bill offsets its estimated cost of \$180 billion by capping spending for overseas contingency operations to correspond with anticipated drawdowns in military operations over the next 10 years. The AAFP wrote to Senate and Finance Committee leaders that same day in support of Sen. Wyden's effort to have the Senate pass a permanent fix, which many believe will help spur further negotiations with the House on a bipartisan repeal package that can be signed into law. Nevertheless, a vote in the Senate scheduled for Monday on the SGR extension (HR 4302) challenges the efforts to reach an agreement on the SGR-repeal legislation. As a technical matter, all legislation introduced in this Congress dies when

Congress adjourns for the year, so if Congress does not approve the repeal of the SGR by the end of the year, the process would have to begin all over.

If signed into law, HR 4302 contains other provisions that will affect family medicine, including:

- a one-year delay of the transition to ICD-10 from October 1, 2014 to October 1, 2015
- a one-year extension of the work GPCI floor to support physicians in rural areas
- a requirement that CMS reduce reimbursements for overvalued services during the years 2017-2020 and redistribute the savings to other services in the Medicare physician fee schedule
- a requirement starting January 1, 2017 that physicians ordering advanced imaging services consult with a “qualified decision support mechanism” and provide certain information from the support tool to the professional furnishing the imaging service.

2. AAFP CALLS FOR INVESTMENTS IN PRIMARY CARE TRAINING AND RESEARCH

On March 28, the AAFP submitted [testimony](#) to the House Committee on Appropriations to inform them of our funding priorities for fiscal year 2015. The AAFP urged the committee to invest in our nation’s family physician workforce and primary care research within the Health Resources and Services Administration and the Agency for Healthcare Research and Quality. In the written statement, the AAFP highlighted for the Committee the importance of the Health Professions Primary Care Training and Enhancement authorized under Title VII, Section 747; Teaching Health Centers; Rural Physician Training Grants; the National Health Service Corps; the Agency for Healthcare Research and Quality; and the National Health Care Workforce Commission.

3. THE FEDERAL TRADE COMMISSION WANTS GREATER HEALTHCARE COMPETITION

In a March 18 [letter](#) to the Federal Trade Commission (FTC), the AAFP commented in advance of the FTC public workshop entitled “Examining Health Care Competition” held on March 20. The AAFP will respond in greater detail to the FTC’s request for comments, but in this initial letter the AAFP shared thoughts and opinions to assist the public workshop.

The AAFP expressed caution over the FTC’s assertion that competition and public safety are of equal importance. The letter argued that many of the applicable professional regulations at the state and federal level are designed to assure the competency of those individuals providing health care services to patients and to protect the safety of individuals seeking health care services. The letter stated the AAFP’s belief that access to health care services that may be unsafe or potentially harmful should not be expanded to achieve greater competition.

The AAFP letter also discussed the troubling explosion of mergers between hospitals and health systems and the AAFP recommended the FTC devote more resources to these issues. The comment letter stated that the AAFP is concerned about the shrinking number of commercial insurers and the expanded role of the large insurance plans into government programs. This situation allows insurers to control, if not manipulate, the physician workforce. The letter argued that this is anti-competitive and therefore the AAFP encouraged the FTC to use its resources to both examine and prevent such actions by the insurers.

4. AAFP CONCERNED OVER 90-DAY GRACE PERIOD IN ACA MARKETPLACES

In a coalition [letter](#) sent March 5 to the Centers for Medicare & Medicaid Systems (CMS), the AAFP and 34 other national medical organizations as well as 51 state medical societies requested CMS revisit its policy that allows health insurers who offer qualified plans on the exchanges to pend and deny claims for months two and three of the 90-day grace period. The letter urged CMS to strengthen the requirements for how and when issuers notify physicians and other providers that a patient who has purchased subsidized the *Affordable Care Act* (ACA)

exchange health insurance coverage has entered the 90-day grace period for non-payment of premiums. Specifically, the letter called for CMS to require issuers to provide grace period information to medical practices as soon as a patient enters the first month of the grace period.

5. MEDICAID EXPANSION

- **Maine:** On Friday, the Maine legislature sent a proposal to extend Medicaid coverage to the desk of Governor Paul LePage (R) for the third time. The proposal would expand coverage to over 70,000 residents by privatizing the state's Medicaid program in order to keep costs under control through managed care. The legislation also would allow the state to withdraw from the expansion when the federal government reduces its share of the cost after three years. Previously, the bill passed both the state House and Senate, but fell short of the two-thirds support lawmakers needed to override the governor's veto.
- **Nebraska:** Legislation to expand Medicaid in Nebraska died this week when opponents succeeded in blocking it. The proposed measure would have incorporated a number of alternative elements for the Medicaid expansion including private sector insurers; premiums for people who earn above 50 percent of the federal poverty level, and a requirement that employers maintain their employees on employer-sponsored plans if that would be more effective than placing them in Medicaid. The bill would have extended coverage to an estimated 54,000 low-income adults in Nebraska.
- **New Hampshire:** This week New Hampshire became the latest state to expand Medicaid eligibility. On March 27, Governor Maggie Hassan (D) signed the bipartisan legislation into law. The bill sets up a two and a half year pilot program to provide health insurance to approximately 50,000 low-income adults. The state's proposal, which requires a federal waiver, would use federal Medicaid funds to purchase private health insurance for adults earning less than 138 percent of the federal poverty level.

6. MORE THAN SIX MILLION HAVE SIGNED UP FOR HEALTH INSURANCE

On Thursday, March 27, President Obama announced that more than 6 million people have signed up for private health insurance under the *Affordable Care Act*. CMS announced record traffic to healthcare.gov with 1.5 million visitors and the 800 number receiving more than 400,000 calls. The open enrollment deadline for people to sign up for private health insurance is March 31. Although the Administration did announce that individuals will be able to qualify for an extension if they indicate they tried to sign up before the deadline and were unable, the exact length of the extension has not been announced. The AAFP has updated our [ACA implementation page](#) with the newest open enrollment information including deadlines and how to talk to patients about getting covered.