

January 23, 2015

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### NEXT WEEK IN WASHINGTON...

- \* On January 27, the Health Subcommittee of the House Energy and Commerce Committee will hold a hearing on several public health bills, including the *National All Schedules Prescription Electronic Reporting (NASPER) Reauthorization Act*.
- \* On January 28, the House Veterans' Affairs Subcommittee on Health will hold a hearing to examine the quality and cost of VA health care.

## 1. HOUSE COMMITTEE EXPLORES FUNDING OPTIONS FOR SGR REPEAL

On January 21 and 22, the Subcommittee on Health of the House Energy and Commerce Committee held a hearing titled, *A Permanent Solution to the SGR: The Time Is Now*. Legislators discussed the repeal of the Medicare Sustainable Growth Rate (SGR) and potential budgetary offsets needed to pay for it. The AAFP submitted [testimony](#) highlighting the importance of a strong primary care system and the need to support appropriate payment for physicians.

Although legislation (HR 4015/S 2000) was approved last year with a strong bipartisan, bicameral consensus and the House of Medicine's support, including the [AAFP's](#), policy makers were ultimately unable to agree on how to pay for the reforms. As a result, Congress approved its 17<sup>th</sup> patch in 2014, which expires on March 31.

The consensus among policy makers and witnesses was that repealing SGR was an important priority. Participants also agreed that physician payment should move away from fee-for-service alone and instead head towards a system that pays for value. Beyond that, most of the hearing focused on how to pay for the \$180 billion legislation.

During the question and answer period, participants discussed quality incentive payments, care coordination, delivery reform, preventive care and the patient-centered medical home. Reps.

Kurt Schrader (D-OR) asked about the association between primary care physicians' role in patient-centered medical homes and reduced health care costs. Rep. Frank Pallone (D-NJ), the senior Democrat on the Energy and Commerce Committee, highlighted the need to renew the Medicare primary care incentive payment that expires in December 2015. Rep. Billy Long (R-MO) said that physician shortage might be associated with delays in SGR reform, and commented that doctors are retiring and looking for a way out because of the uncertainty caused by the series of short-term patches. Rep. Kathy Castor (D-FL) raised concerns about potential cost-sharing increases that might encourage patients to forego care and could lead to declining health care outcomes.

## **2. AAFP URGES WAYS AND MEANS COMMITTEE TO INVEST IN PRIMARY CARE**

On Monday, Jan. 19, the AAFP sent a [letter](#) to Rep. Kevin Brady (R-TX), who chairs the Ways and Means Subcommittee on Health, in response to a discussion draft of the *Hospital Improvements for Payment Act of 2014*. Chairman Brady asked for feedback on the draft in order to plan for introduction of a bill. The draft, which would establish a new payment system for hospital short stays, would redistribute part of the approximately \$9 billion in annual Medicare spending on residency training. The AAFP used this as an opportunity to advocate for several family medicine's positions on Graduate Medical Education (GME), which were formally released in a [policy document](#) in September 2014 entitled "Aligning Resources, Increasing Accountability, and Delivering a Primary Care Physician Workforce for America." Among other things, the AAFP urged Rep. Brady to dedicate more GME resources for ambulatory primary-care training, rather than hospital-based residency training.

## **3. STATE OF THE UNION ADDRESS TOUCHES ON ACA AND PERSONAL MEDICINE**

In his State of the Union address on January 20, President Barack Obama mentioned health care issues only briefly. He pointed out that about 10 million uninsured Americans have gained health coverage, and he announced the launch of the Precision Medicine Initiative, an effort "to bring us closer to curing diseases like cancer and diabetes, and to give all of us access to the personalized information we need to keep ourselves and our families healthier." AAFP member and third year medical student at Wright State Boonshoft School of Medicine, [William Elder, Jr.](#) was a guest of the First Lady at the address.

## **4. CMS RELEASES TWO REPORTS ON PRIMARY CARE TRANSFORMATION**

On January 23, Dr. Patrick Conway, CMS Deputy Administrator for Innovation and Quality and Chief Medical Officer, posted a blog titled "Moving forward on primary care transformation." In it, he announced initial data on the Comprehensive Primary Care (CPC) initiative and the Multi-payer Advanced Primary Care Practice (MAPCP) Demonstration. The CPC initiative, in its first year, decreased hospital admissions by 2 percent and emergency department visits by 3 percent, contributing to the reduction of expenditures nearly sufficient to offset care management fees paid by CMS. The MAPCP Demonstration generated an estimated \$4.2 million in savings through the use of advanced primary care initiatives. The [first evaluation report of the CPC initiative](#) and the [first evaluation report of the MAPCP demonstration](#) are available online.

## **5. COALITION ELEVATES CONCERNS WITH EHR PERFORMANCE**

On January 21, the AAFP and 35 other national physician organizations sent a [letter](#) to the Office of the National Coordinator for Health Information Technology within the U.S. Department of Health and Human Services to raise concerns about the current trajectory of the certification of electronic health records (EHRs). The letter discussed the documented challenges among physicians and growing frustration with the way EHRs are performing. The letter cited the urgent need to change the current certification program to better align end-to-end testing to focus on EHR usability, interoperability, and safety. Regarding EHR certification, the letter urged HHS to:

- Decouple EHR certification from the Meaningful Use program;

- Re-consider alternative software testing methods;
- Establish greater transparency and uniformity on UCD testing and process results;
- Incorporate exception handling into EHR certification;
- Develop C-CDA guidance and tests to support exchange;
- Seek further stakeholder feedback; and
- Increase education on EHR implementation.

## **6. FAMILY PHYSICIAN NOMINATED TO FDA FOOD ADVISORY COMMITTEE**

The AAFP sent the Food and Drug Administration (FDA) a letter on January 21 that nominated Jason M. Matuszak, MD, FAAFP to serve on the Food Advisory Committee, which provides advice to the FDA on emerging food safety, food science, nutrition, and other food related health issues. Dr. Matuszak is a family physician, sports medicine physician, and founder and director of The Sports Concussion Center.

## **7. INCREASED PRIMARY CARE MEDICAID PAYMENTS BENEFITS ACCESS TO CARE**

On Wednesday, January 21, the *New England Journal of Medicine* published a study on primary care appointment availability for Medicaid patients. Researchers at the Leonard Davis Institute of Health Economics at the University of Pennsylvania conducted the [study](#), titled *Appointment Availability after Increases in Medicaid*. Their findings indicated a 7.7 percent improved appointment availability for Medicaid patients, while availability for privately insured patients remained the same. The secret shopper study found that the availability of appointments for self-identified Medicaid callers increased from 58.7 percent before the higher Medicaid payment for primary care to 66.4 percent after the fee increase was in effect. The study also found that states with the highest Medicaid reimbursement rate increases tended to have the largest improvements in appointment availability. Researchers also published [a blog entry article](#) that summarizes the study on the same day as the NEJM article was released.

## **8. SUPREME COURT HEARS ORAL ARGUMENTS ON MEDICAID PAY**

On Tuesday, January 20, the Supreme Court of the United States heard oral arguments on whether providers can sue states over Medicaid pay. In *Armstrong v. Exceptional Child Center*, providers for developmentally disabled Medicaid patients in Idaho sued the state after it failed to increase the Medicaid payments as required by a federal government formula. The Medicaid's "equal access" requirement is intended to ensure physicians and other providers receive adequate reimbursement to offer care for the Medicaid population. The AAFP joined the AMA and other medical associations in a [friend-of-the-court brief](#) for this case.

## **9. STATE LEGISLATURES BEGIN THEIR 2015 SESSIONS**

In the past several weeks, many state legislatures have started their 2015 legislative sessions. This year, all 50 state legislatures and the District of Columbia will convene. In addition to the regular sessions, there are already special sessions planned. In particular, Tennessee has called a special session to consider Governor Haslam's Medicaid expansion plan. [The AAFP is tracking](#) a number of state legislative issues including scope of practice, prescription drug abuse, medical liability reform, direct primary care, Medicaid expansion, and insurance marketplaces, among others.

## **10. MICHIGAN GOVERNOR SIGNS DIRECT PRIMARY CARE LEGISLATION INTO LAW**

Governor Rick Snyder (R) signed into law [S.B. 1033](#), now Public Act 522 of 2014. The state is seventh in the nation to pass Direct Primary Care (DPC) legislation. The Michigan legislation aims to ensure that physicians who enter into DPC practices are not burdened with the administrative complications often associated with insurance regulations and this type of delivery model. More information on Direct Primary Care and the AAFP's position on the delivery system model can be found on AAFP.org's [Direct Primary Care page](#), and more

information on the status of Direct Primary Care advocacy and legislation can be found via the [Direct Primary Care Coalition's website](#).

## 11. REGULATORY BRIEFS

- On January 22 HHS published the annual update of the [HHS poverty guidelines](#).
- On January 22, CMS [announced](#) the addition of a star rating program to the Dialysis Facility Compare (DFC) [website](#).
- On January 22, the Office of the Inspector General within HHS released a [report](#) titled, "Medicare Paid Suppliers for Power Mobility Device Claims That Did Not Meet Federal Requirements for Physicians' Face-to-Face Examinations of Beneficiaries."
- CMS will host the following free educational call, [registration](#) is required:
  - National Partnership to Improve Dementia Care in Nursing Homes and QAPI, March 10 at 1:30pm ET