

June 26, 2015

IN THIS REPORT...

1. King v. Burwell Decision by the Supreme Court Preserves Federal Subsidies
2. House and Senate Debate Annual Spending Plans
3. Congress Drops Reduction of Medicare Provider Payments to Pay for Trade Bill
4. Senate Finance Chronic Care Working Group Hears from the AAFP
5. House Agriculture Spending Measure Would Ease Tobacco Review Requirements
6. House Bill to Repeal ACA's Cost Containment Board Advances
7. Committee Reviews Neonatal Abstinence Syndrome Research Legislation
8. FamMedPAC Supports Key Legislators
9. Regulatory Briefs

NEXT WEEK IN WASHINGTON...

* Both the House and the Senate will be in recess until July 7.

1. SUPREME COURT PRESERVES FEDERAL SUBSIDIES FOR EXCHANGE PLANS

On Thursday, June 25, the Supreme Court protected the *Affordable Care Act* (ACA) from another legal challenge in a 6-3 decision upholding health insurance subsidies for millions of low- and middle-income residents of the 34 states that did not establish their own health care marketplaces. The American Academy of Family Physicians issued a [statement](#) welcoming the decision in King v. Burwell.

2. HHS SPENDING PLANS SEE ACTION IN BOTH CHAMBERS

This week the full House and Senate Appropriations Committees advanced draft spending bills to fund the Departments of Health and Human Services (HHS), Labor and Education for fiscal year 2016. On June 24 after hours of debate, the House Appropriations Committee reported its [version](#) of the bill by a party-line vote of 30 to 21. Most of the amendments were offered by Democrats to increase spending, but the Republican majority held firm to the overall spending cap. The White House Office of Management and Budget laid out the Administration's objections to the bill in a June 23 [letter](#).

The Senate Appropriations Committee approved its bill (S. 1695) by a vote of 16 to 14 on June 25. It would fund HHS at \$70.4 billion, \$646 million below the FY15 level. The Senate's draft would increase funding for the National Institutes of Health (NIH) to \$32 billion, an increase of \$2 billion above FY15. Although the Centers for Disease Control and Prevention (CDC) overall would get a nearly 4 percent cut, the bill includes \$67 million, an increase of \$35 million, for programs targeted to combat opioid abuse at the CDC and the Substance Abuse and Mental Health Services Administration. Like the House draft, the Senate bill would also eliminate funding for the implementation of the *Affordable Care Act*.

Agency for Healthcare Research and Quality (AHRQ)

The House bill would eliminate all funding for AHRQ. Rep. Lucille Roybal-Allard (D-CA) offered an amendment to restore AHRQ's funding as she had unsuccessfully during the subcommittee consideration, but the committee defeated her amendment as well. In contrast, the Senate bill would provide \$236 million for AHRQ, which nonetheless is below the FY15 funding level of \$363.7 million. A conference committee of the House and Senate will have to determine the fate of the agency. On June 22, the AAFP was one of 144 organizations that signed a [letter](#) to Congress opposing this elimination.

Health Resources and Services Administration (HRSA)

The House bill provides a total of \$6.1 billion for HRSA programs or about \$298.5 million below FY15 funding. Within HRSA, most of the Title VII programs were level funded including the Primary Care Medicine line which the House bill set at \$38.9 million, the same as the President's budget request. However, the Senate's mark for these grants was \$36.8 million or 5.7 percent below current funding. Overall, the Senate would cut Title VII by \$24.6 million (3.5 percent) compared to FY15 but would increase funding for the Scholarships for Disadvantaged Students and Area Health Education Centers above the Administration's request.

No appropriated funding was provided to supplement the trust fund available for the National Health Service Corps (NHSC) by either chamber's bill. The Senate noted that "adequate funding was included for FY16" in the *Medicare Access and CHIP Reauthorization Act*, which was the measure that repealed the Medicare Sustainable Growth Rate (SGR) formula.

The House bill would fund the Office of Rural Health at the same \$147.5 million as last year, which would be \$20 million above the President's request by the House bill. The Senate bill would allocate \$150.6 million for Rural Health, an increase of \$3.1 million above FY15, for rural health programs recognizing that the obstacles faced by patients and providers in rural communities are unique and often significantly different than those in urban areas.

Firearm Violence Research

The House draft continues the general prohibition against funds being spent on researching firearm violence, including the collection of any data for potential future research, as proposed in the Administration's FY16 budget request for the National Violent Death Reporting System. The senior Democrat on the House Committee, Rep. Nita Lowey (D-NY), offered an amendment to allow the CDC to study the underlying causes of gun violence. It failed 19 to 32.

3. CONGRESS PASSES TRADE ASSISTANCE WITHOUT MEDICARE OFFSET

Congress this week passed a package of trade-related bills. Included in that package was the *Trade Preferences Extension Act*, which passed the Senate on June 24, by a vote of 60-38, and the House on Thursday by a vote of 286-138. Within the *Trade Preferences Extension Act* is the reauthorization of an aid program to workers who may be displaced by trade policies, which notably was not offset by increased reductions in Medicare provider payments. Although a prior version had already passed the Senate included a measure to reduce Medicare provider payments by 0.25 percent over a six-month period, the AAFP successfully [advocated](#) that the bill not be paid for with reductions in Medicare provider payments.

4. AAFP RESPONDS TO SENATE FINANCE CHRONIC CARE WORKING GROUP

On Monday, June 22, the AAFP delivered a [letter](#) to the Senate Finance Committee Chronic Care Working Group, responding to a [call to stakeholders](#) for policy proposals to improve policies for Medicare beneficiaries who have multiple chronic conditions. Sens. Mark Warner (D-VA) and Johnny Isakson (R-GA) established the bipartisan working group to "analyze current law, discuss alternative policy options, and develop bipartisan legislative solutions." In the letter, the AAFP recommends a number of policy proposals to the committee, including scaling

up the Comprehensive Primary Care (CPC) Initiative, improving the new chronic care management (CCM) code, expanding the availability of payment for telemedicine, and reforming graduate medical education (GME) to train more primary care physicians—particularly in community-based settings.

5. TOBACCO RESTRICTIONS EASED IN HOUSE AGRICULTURE SPENDING BILL

The House Appropriations Committee's FY16 Agriculture spending bill includes a provision that would allow industry to continue selling e-cigarettes and some tobacco products by limiting the Food and Drug Administration's ability to regulate the products. This provision would weaken the *Tobacco Control Act* by changing the "grandfather date" for the many unregulated and untested tobacco products that are currently on the market. The AAFP is joining a number of other health care organizations to advise the House to reject this provision.

6. HOUSE APPROVES BILL TO REPEAL IPAB

By a vote of 244 to 154, the House cleared a measure on Tuesday, June 23, to repeal the *Affordable Care Act's* (ACA) Independent Payment Advisory Board (IPAB). Eleven Democrats and all of the Republicans supported the measure, which was offset with \$7.1 billion from the ACA's Public Health and Prevention Fund. The IPAB is tasked with making cost-cutting recommendations if Medicare spending is projected to exceed a target growth rate.

7. COMMITTEE REVIEWS NEONATAL ABSTINENCE SYNDROME RESEARCH BILL

On June 24, the House Energy and Commerce's Health Subcommittee held a [hearing](#) to review three bills, including the *Protecting Our Infants Act* (HR 1462). Reps. Steve Stivers (R-OH) and Katherine Clark (D-MA) introduced the measure for AHRQ to make recommendations for the treatment and prevention of prenatal opioid abuse and neonatal abstinence syndrome (NAS). In the United States, the incidence of NAS has risen from 1.20 per 1,000 hospital births in 2000 to 3.39 per 1,000 hospital births in 2009. During the hearing, witnesses talked about the need for more substance abuse treatment and for universal screening for pregnant women. Experts also indicated the need to address laws that criminalize pregnant women.

8. FamMedPAC SUPPORTS KEY LEGISLATORS

FamMedPAC this week supported members of key Senate and House committees with jurisdiction over health issues. PAC activities provide strong support for AAFP's legislative efforts in Congress. The PAC supported the following legislators this week:

- **Sen. Pat Leahy (D-VT)**, who is the senior Democratic member of the Senate Judiciary Committee and member of the Senate Appropriations Committee.
- **Reps. Pete Aguilar (D-CA), Brad Ashford (D-NE), Julia Brownley (D-CA), Elizabeth Esty (D-CT), Gwen Graham (D-FL), Derek Kilmer (D-WA), Annie Kuster (D-NH), Scott Peters (D-CA), Raul Ruiz, MD (D-CA), Kurt Schrader (D-OR), and Kyrsten Sinema (D-AZ)** in a single event led by **Rep. Ami Bera (D-CA)**.
- **Rep. Dan Beneshek (R-MI)**, a general surgeon, who serves on the House Veterans Affairs Committee.
- **Rep. Ron Kind (D-WI)**, who chairs the New Democrat Coalition and is a member of the House Ways & Means Committee.
- **Sen. Jack Reed (D-RI)**, who is a member of the Senate Appropriations Committee, is a leader of the annual Title VII "Dear Colleague" letter.
- **Rep. Rodney Davis (R-IL)**, who is on the House Agriculture Committee and active in promoting nutrition programs.
- **Rep. Tom Reed (R-NY)**, member of the House Ways and Means Committee
- **Rep. Joe Heck (R-NV)**, an emergency physician.
- **Rep. John Fleming (R-LA)**, a family physician.

- **Rep. Ed Perlmutter (D-CO)**, a member of the House Committee on Financial Services and active in student debt relief measures.
- **Rep. Evan Jenkins (R-WV)**, member of the House Appropriations Committee and former chief executive of the West Virginia Medical Association.

10. REGULATORY BRIEFS

- On June 23, CMS published an [article](#) in Health Affairs titled, “Core Quality Measures Collaborative: A Rationale and Framework for Public-Private Quality Measure Alignment.”
- On June 23, CMS released a [report](#) indicating that about 12.3 million people enrolled in Medicaid or the Children’s Health Insurance Program between October 2013 and April 2015.
- On June 24, CMS released the updated relative value unit (RVU) [files](#) reflecting the 0.5% payment increase that will go into effect on July 1, 2015 as a result of the *Medicare Access and CHIP Reauthorization Act (MACRA)*
- On June 25, CMS [announced](#) two modifications to the design of the [ACO Investment Model](#), which is designed for rural areas and small group practices. These changes will allow ACOs starting in the Medicare Shared Savings Program in 2015 to apply in the upcoming application round, and it will remove the 10,000 or fewer assigned beneficiary eligibility criteria for rural ACOs that started in the Medicare Shared Savings Program in 2015 (or will start in 2016). The ACO Investment Model is expected to provide a total of \$114 million in upfront investments to up to 75 ACOs across the country.
- CMS will host the following free educational calls, [registration](#) is required:
 - ESRD QIP System Training, July 8, 1:30pm ET
 - ESRD QIP: Reviewing 2016 Performance Data, July 9, 2:00pm ET
 - IQCP for CLIA Laboratory Nonwaived Testing, July 15, 1:30pm ET
 - 2016 PFS Proposed Rule: Medicare Quality Reporting, July 16, 1:30pm ET
 - ESRD QIP: Proposed Rule for Payment Year 2019, July 29, 2:00pm ET