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IN THIS REPORT...

1. President Obama Inaugurated and Economic Stimulus Package Moves Quickly in Congress
2. House Passes SCHIP; Senate to Act Next Week
3. Family Physicians Brief Hill Staff on Workforce Needs
4. Senators Introduce Legislation to Require PHRMA and Device Producers to Report Money Given to Doctors
5. AAFP Grassroots Advocacy Efforts Start Immediately in the 111th Congress

1. PRESIDENT OBAMA INAUGURATED AND ECONOMIC STIMULAR PACKAGES MOVES QUICKLY THROUGH CONGRESS

President Barack Obama and the 111th Congress got off to an unprecedented swift start this week with the President's Inauguration on Tuesday, January 20 followed by work on the economic stimulus package by three House Committees -- Appropriations, Ways and Means and Energy and Commerce -- beginning the next day. The *American Recovery and Reinvestment Act of 2009*, as the \$825 billion tax and spending stimulus package is known, will be on the House floor on January 28th, according to House Majority Leader Steny Hoyer (D-MD), with a vote on passage the same day. Tension continues between Democrats, who wish to move the stimulus package as quickly as possible, and Republicans, who believe the measure should be targeted more narrowly. As a result, House Republican Leader John Boehner (R-OH) and Republican Whip Eric Cantor (R-VA) went to the White House to present a House Republican Economic Recovery Plan to President Obama. The proposal focuses primarily on tax issues.

In the Senate, the latest information as of this writing is that the Finance Committee already is reviewing the House measure and the Committee is expected to mark up the economic stimulus package on Tuesday. Depending on the outcome on the Senate floor, the House may forgo a conference and pass the Senate package to give President Obama an early win.

House Appropriations Committee

On Wednesday, January 21, the House Appropriations Committee approved the portion of the economic stimulus bill by a 35-22 vote. The Republicans who opposed the bill argued that the committee should have hearings on the stimulus package and should produce a bill to fund infrastructure projects that are guaranteed to create jobs quickly.

The Appropriations Committee Report specifically highlighted family medicine saying, "A key component of attaining universal health care reform will be ensuring the supply of primary health care providers -- family medicine, internal medicine, pediatricians, dentists, and nurses. Funding for health professions training for these disciplines has withered in the past decade. The \$600 million provided will double annual funding for training primary care doctors and dentists, as well as double support for nursing programs such as nurse scholarships, nurse faculty loans, and advanced nursing. The bill summary highlights the following spending:

- Health Information Technology: \$20 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.
- Prevention and Wellness Fund: \$3 billion to fight chronic and infectious diseases.
- Healthcare Effectiveness Research: \$1.1 billion for Healthcare Research and Quality programs to compare the effectiveness of different medical treatments funded by Medicare, Medicaid, and SCHIP.
- Community Health Centers: \$1.5 billion, including \$500 million to increase the number of uninsured Americans who receive quality healthcare and \$1 billion to renovate clinics and make health information technology improvements.
- Training Primary Care Providers: \$600 million to address shortages and prepare our country for universal healthcare by training primary healthcare providers including doctors, dentists, and nurses, as well as helping pay medical school expenses for students who agree to practice in underserved communities through the National Health Service Corps.

House Ways and Means and Energy and Commerce Committees

The Ways and Means Committee met on Thursday, January 22 to debate and vote on the economic stimulus legislation. At the same time, in a markup session that went more than 12 hours, the House Energy and Commerce Committee voted ultimately to support the economic stimulus bill.

The legislation considered by both committees includes a section on health information technology (HIT) which also is being referred to as the *Health Information Technology for Economic and Clinical Health Act*, or *HITECH Act*.

Health Information Technology

According to the committees' summary, the bill would accomplish four major goals:

- Requiring the government to take a leadership role to develop standards by 2010 that allow for the nationwide electronic exchange and use of health information to improve quality and coordination of care.
- Investing \$20 billion in health information technology infrastructure and Medicare and Medicaid incentives to encourage doctors and hospitals to use HIT to electronically exchange patients' health information.
- Saving the government \$10 billion, and generating additional savings throughout the health sector, through improvements in quality of care and care coordination, and reductions in medical errors and duplicative care.
- Strengthening federal privacy and security law to protect identifiable health information from misuse as the health care sector increases use of HIT.

The Congressional Budget Office estimates that as a result of this legislation, approximately 90 percent of doctors and 70 percent of hospitals will be using comprehensive electronic health records within the next decade.

In addition, the legislation:

- Allows funding of up to \$65,000 for physicians who are "meaningfully using HIT." Physicians and hospitals who do not adopt HIT will see a decline in Medicare reimbursements after 2016.
- Codifies the Office of the National Coordinator for Health Information Technology (ONCHIT) within the Department of Health and Human Services. This office is responsible for creating a nationwide health information technology infrastructure aimed at improving health care quality and care coordination.

- Establishes a transparent and open process for the development of standards that will allow for the nationwide electronic exchange of information between doctors, hospitals, patients, health plans, the government and others by the end of 2009.
- Establishes a voluntary certification process for health information technology products. The National Institute of Standards and Technology will test these products to determine if they meet the national standards that allow for the secure electronic exchange and use of health information.
- Improves and expands federal privacy and security protections for HIT.

Three amendments of note were considered during the Ways and Means Committee markup:

- Rep. Wally Herger (R-CA), ranking member of the Health Subcommittee, offered a “sunshine in health quality” amendment. Essentially, this proposal only would allow monies available to physicians for HIT to be dispersed when the physician agreed to disclose publicly a list of fees/charges. Health subcommittee chairman Pete Stark (D-CA) indicated a willingness to work with Mr. Herger on the concept, suggesting that the information already was available through Medicare but questioning the legality of requiring such information with respect to non-Medicare patients.
- Rep. Charles Boustany (R-LA), a surgeon, offered an amendment that would have prevented the Centers for Medicare and Medicaid Services from using any data produced by comparative effectiveness research as a basis for coverage (or denial) decisions.
- Rep. Sam Johnson (R-TX) proposed providing physicians with tax breaks instead of grant monies for the investment in HIT. Rep. Stark opposed this approach, indicating it would be inequitable due to the wide range of incomes of physicians and the inapplicability to nonprofit hospitals. Rep. Mike Thompson (D-CA) added that such an approach would be unfair to, and could even harm, rural physicians.

The following amendments were discussed in the Energy and Commerce Committee markup:

- Rep. Michael Burgess (R-TX) offered an amendment to force Congress to fix the physician reimbursement issue prior to the release of the HIT dollars. Other amendments offered by Republicans centered on the delaying the physician cuts or replacing them with a standard rate of inflation for medical costs. Chairman Henry Waxman (D-CA) responded to these amendments by stating “this vehicle is not the right place for fixing physician payments.”
- The committee supported an amendment by Rep. Tim Murphy (R-PA) that requires the federal government to purchase HIT that is manufactured in the US.

Medicaid

Included in the stimulus package are a number of provisions relating to Medicaid, the two most significant of which are targeted and time-limited. The provisions—set to expire on December 31, 2010—will aid the states through an \$87 billion to increase the Federal Medical Assistance Percentage (FMAP), the rate that determines how much the federal government’s cost share is for Medicaid, and will provide \$9 billion to fund fully the benefits and administration of a new option allowing states to extend Medicaid coverage to certain low-income workers who have lost their jobs in the downturn.

Among other provisions, a new option for states to cover family planning services for low-income women, an elimination of cost sharing for American Indians receiving care an Indian health care provider or from a Contract Health Services (CHS) provider, and an extension of the Transitional Medical Assistance (TMA) program. TMA allows low-income workers rejoining the workforce after receiving welfare benefits to retain their Medicaid coverage for up to one year, providing they remain employed.

The bill contains a further provision that would extend until June 30 the moratorium on six controversial Bush Administration regulations restricting states' use of Medicaid funds for graduate medical education, targeted case management, school transportation services for disabled children, rehabilitation services, cost limits on public providers and provider taxes. A seventh regulation that significantly altered Medicaid's outpatient hospital payment policies and went into effect in December was added to the moratorium, as well.

COBRA

The also includes provisions to extend health insurance. Since current law requires laid-off workers to pay 102 percent of the total premium, the program is not well-utilized due to the high cost. As a result, the package subsidizes 65 percent of COBRA premiums for up to one year. In addition, for those 55 and older, or those people with 10 or more years on their jobs, could continue COBRA coverage until they secure a new position that includes health insurance, or reach age 65, when they may join Medicare. Rep. Joe Barton (R-TX), ranking member of the committee, tried and failed to offer an amendment that would have required an asset test to qualify for assistance. Nevertheless, when Republican Cliff Stearns (R-FL) offered a similar amendment that would prohibit people with \$100,000 in income or \$1 million in assets, it passed by voice vote.

Comparative Clinical Effectiveness

While the language regarding comparative clinical effectiveness remains in the House bill, Sen. Tom Harkin (D-IA) already has said that he will modify the language to ensure that patients' access to more expensive treatments is not limited.

2. HOUSE PASSES SCHIP; SENATE TO ACT NEXT WEEK

The House passed a reauthorization and expansion of the *State Children's Health Insurance Program* (H.R. 2) by a vote of 289 to 139 on January 14. The Senate Finance Committee approved a similar SCHIP bill (S. 275), 12 to 7 after a five-hour markup this week. Both bills aim to help states cover an additional 4 million, bringing the total number of children receiving coverage through SCHIP to nearly 11 million. Congressional leadership is eager to send the measure to President Obama soon and make SCHIP reauthorization one of the first bills he signs. The Senate is expected to vote the week of January 26th, perhaps as early as Monday afternoon. During the Energy and Commerce markup of the economic stimulus package, Rep. Nathan Deal (R-GA) offered an amendment to maintain the current five-year waiting period for legal immigrants and new citizens under SCHIP. The amendment failed and the provision to eliminate the waiting period for legal immigrants and new citizens remains in both the House and Senate bills.

3. HILL BRIEFING CALLS FOR INCREASED PRIMARY CARE WORKFORCE

On January 12, AAFP and the Partnership for Primary Care Workforce (PPCW) held a briefing for legislative staff in the US Capitol. Presenters included two family physicians, Kevin Grumbach, MD, and Andrea Anderson, MD, as well as internist and Urban Institute Fellow Bob Berenson, MD. All described the need to attract and train more primary care providers, the importance of developing a payment system that reflects the value of primary care and the quality provided by the patient centered medical home model.

Dr. Grumbach spoke to the need to increase funding for Title VII Section 747 and the National Health Service Corps. He also highlighted the specialty orientation of Medicare GME payments and COGME's and MedPAC's recommendations to add flexibility to GME payments and to promote primary care. Dr. Berenson provided a history of Medicare payment policy and said that "fixing" the Sustainable Growth Rate alone will not compensate primary care physicians adequately and will not address the procedure-driven care problem. Dr. Anderson talked about her experiences as a patient and as a National Health Service Corps physician in an FQHC in the Upper Cardozo neighborhood of Washington, DC. She told the stories of several patients to provide specific examples of the need for a patient-centered medical home.

4. SENATORS INTRODUCE LEGISLATION TO REQUIRE PHARMA AND DEVICE PRODUCERS TO REPORT MONEY GIVEN TO DOCTORS

On Thursday, January 22, Senators Charles Grassley (R-IA) and Herb Kohl (D-WI), introduced legislation requiring pharmaceutical manufacturers and device producers to report funds given to physicians if the amount exceeds \$100 per year. The bill is similar to legislation the pair introduced in the 110th Congress, but includes changes such as raising the amount from \$25 to \$100.

5. GRASSROOTS ADVOCACY EFFORTS START IMMEDIATELY IN THE 111TH CONGRESS

On Thursday, January 15, the AAFP sent a Speak Out alert to all active AAFP members, residents, students, and Facebook fans. The alert asked members to contact their Senators urging them to reauthorize the State Children's Health Insurance Program. As of January 23, AAFP members have sent 1,269 messages to the Senate. A grassroots plan is in the works for action on the economic stimulus legislation.