

GOVERNMENT AFFAIRS WEEKLY

A Report to the Board of Directors

February 2, 2007

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1. INCREASED FUNDING FOR PRIMARY CARE TRAINING

On January 31, the House of Representatives passed a Continuing Resolution or "CR" to fund the federal government for the rest of this fiscal year by a vote of 286 to 140. The Senate is expected to take up the CR during the week of February 12. Last year, Congress adjourned after approving a CR that will expire on February 15.

The new House-passed CR provides \$184 million for Title VII programs. Section 747 will get \$48.8 million. This compares to last year's level of \$40.9 million.

Other programs increased above FY 2006 include:

- A \$620 million increase for the National Institutes of Health. The CR will provide \$40 million for a new program to support innovative research, and \$91 million for grants to first-time investigators.
- A \$207 million increase for Community Health Centers to provide the funds for more than 300 new Community Health Centers.
- A \$100 million increase for the Centers for Disease Control and Prevention to prepare for an outbreak of pandemic influenza and other emerging infectious diseases.

2. REAUTHORIZING THE CHILDREN'S HEALTH INSURANCE PROGRAM

During a hearing this week, the Senate Finance Committee discussed the upcoming reauthorization of the States' Children's Health Insurance Program (SCHIP). The program is designed to provide health coverage for children in families with incomes that are too high to qualify for Medicaid but that cannot afford health insurance otherwise. The Committee Chair, Senator Max Baucus (D-MT), noted that it would cost \$12 to \$15 billion over five years to maintain services for the 6 million currently enrolled. To cover all eligible children in the US would cost as much as \$45 billion.

The Committee members debated whether it would be more cost efficient to include the parents of the children enrolled in the program. Sen. Baucus, for example, cited comments from former CMS administrator Mark McClellan, who said that covering parents in CHIP actually increases access and helps retain children in the program. However, other members felt that parents should not be covered until all the eligible children are enrolled, since including parents would divert funds otherwise available to cover more children.

3. PRESIDENT'S BUDGET TO BE RELEASED ON MONDAY

On Monday, February 5, the administration is scheduled to release its budget proposal for Fiscal Year 2008. Early reports are that it will propose more than \$70 billion in savings from Medicare and Medicaid over five years. The proposed cuts are part of the President's plan to balance the budget by 2012. Under this proposal, a greater percentage of Medicare beneficiaries with relatively high incomes would be required to pay more than the standard monthly premium, which currently is \$93.50.

The FY 2008 budget proposal assumes that an 8-10 percent Medicare reimbursement cut for doctors scheduled to go into effect next year will not be reversed. Bush also is expected to propose changes to SCHIP to focus on low-income families, possibly by reducing federal payments to states that cover children whose families have incomes that exceed 200 percent of the federal poverty level.

4. GME PAYMENTS FOR PRIMARY CARE RESIDENCY PROGRAMS

On Friday, January 26, CMS released a proposed rule covering Medicare payments for long-term care in hospitals that included a provision to specify how hospitals **can** continue to receive Graduate Medical Education (GME) funding for residency training programs at non-hospital sites. At issue is how to determine if a hospital pays for "all or substantially all" of the costs of that training. The proposed rule specifies a formula for determining whether the hospital complies with that requirement; however, the formula seems to disadvantage primary care residency programs. The AAFP and the Academic Family Medicine Advocacy Alliance are evaluating the effects of the proposed **rule** on family medicine residency programs.

5. UPCOMING HEARING IN CONGRESS

On Tuesday, February 13, the House Ways and Means Subcommittee on Health will hold a hearing on the proposed fiscal 2008 budget for the Centers for Medicare and Medicaid Services. Acting Administrator of CMS, Leslie Norwalk, will testify.

6. RECENT LEGISLATION

Senator Lisa Murkowski (R-AK) introduced the *Rural Physicians' Relief Act* (S. 290), which would give a primary health care physician a \$1000 tax credit for each month that he or she provides services in a designated "frontier" area.

Rep. John Conyers (R-MI) introduced the *U.S. Physician Shortage Elimination Act* (H.R. 140). The bill would

- reauthorize the National Health Service Corps scholarships and loan repayment programs;
- provide grants for health professions training for diversity,
- expand residency training programs and primary care services offered by Community Health Centers, and
- offer grants for recruiting and retaining primary care physicians at Community Health Centers.

7. ISSUES FOR STATE GOVERNMENTS

Medicaid

Chapters continue to use the services of AAFP consultants engaged to provide expertise on Medicaid. Our consultant, Tim Henderson, and staff prepared a brief for the Colorado Academy that will be used in a conference call on the Colorado Medicaid Reform Task Force scheduled for February 3. Mr. Henderson is completing a case study on Colorado Access.

Medical Home

Government Relations staff is preparing the first web-based policy seminar for chapters. Scheduled for February 28, chapters can participate using web technology combined with a conference call to discuss the medical home concept. Bruce Bagley, MD, AAFP's Medical Quality Specialist, and John Swanson, AAFP Director of the Practice Enhancement Division, will be presenting.

Newborn Screening

The National Conference of State Legislatures has selected Norm Kahn, MD, AAFP's Vice President for Science and Education, to serve on a conference planning committee to work with federal agencies to do three annual conferences on birth defects and newborn screening. The meetings will target key state legislators and staff, field experts, and federal representatives. The first conference is scheduled for Sunday, August 5, in Boston

Health Information Technology

The National Governors Association State Alliance for e-Health met in Washington and began work on drafting recommendations for state governments to use in implementing HIT. The recommendations will be drawn from three task forces charged with studying provider issues, health information exchange, and data security. NGA staff have encouraged AAFP to nominate members for the task forces. Government Relations and Center for Health IT staff are discussing possible nominations at this time.