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Next Week in Washington...

The House Energy and Commerce Subcommittee on Health will hold a hearing on Tuesday, March 17 on making health care work for American Families: Ensuring Affordable Coverage.

The Health Subcommittee of the House Ways and Means Committee will hold a hearing on the same day on MedPAC's annual report to Congress.

The House Small Business Committee will hold a hearing on Wednesday. The committee will examine how the proposed changes in the Medicare program will affect small health care providers.

The Health Subcommittee of the Senate Finance Committee will hold a hearing on Wednesday. The topic is "What Is Health Care Quality and Who Decides?"

On Friday, March 20, is holding a conference on "Smarter Health Care: An Era of Opportunity." The focus of the conference, in which AAFP's EVP will have a presentation, is the promotion of effective Health Information Technology.

Also on Friday, the Institute on Medicine will hold a meeting on comparative effectiveness research and has invited Dr. Ted Epperly to describe the views of AAFP.

1. HOUSE SUBCOMMITTEE HEARING ON HIGH PERFORMING HEALTHCARE

On Tuesday, March 10, the House Energy and Commerce Subcommittee on Health held a hearing entitled "Making Health Care Work for American Families: Designing a High Performing Healthcare System." Witnesses included Doug Elmendorf, Director of the Congressional Budget Office, Glenn Hackbarth, Chairman of MedPAC and others.

Subcommittee Chairman Rep. Frank Pallone (D-NJ) remarked in his opening statement that Congress must focus on "prevention and the coordination of care...so that health care costs will be reduced for patients and businesses." Committee Chairman Rep. Henry Waxman (D-CA) stated that reform should build on the current employer-based system, but also include a public alternative. In his oral testimony, Dr. Elmendorf stressed that health care costs are increasing,

thus causing stress on the federal and state governments, as well as on individual families. In addition, Dr. Hackbarth noted that the US health care system must “expand coverage, lower costs but maintain quality.” He stated specifically that Congress “should consider increasing payment for primary care and change the reimbursement system to facilitate the use of a medical home.” Rep. Michael Burgess (R-TX) discussed the need to “align payment systems to encourage physicians and hospitals to work together.”

2. SENATE COMMITTEE ON WORKFORCE ISSUES IN HEALTH CARE REFORM

The Chairman of the Committee, Sen. Max Baucus (D-MT), opened by saying that there is a shortage of primary care doctors and that the problem is worsening. He insisted that the US should be investing in a primary care. Chairman Baucus asked three questions and said that the US health care system has a problem if the answer to any of them is “no.” The questions were – does our system:

- reward higher quality of care?
- encourage our best and brightest to choose primary care?
- encourage training in non-hospital settings?

Senator Charles Grassley (R-IA), who is the senior Republican on the committee, noted that the Massachusetts experiment has proven that increased coverage is useless if we do not provide an adequate health care workforce. He suggested that a better workforce strategy will help address access, quality, and cost. In his view, we have a large geographical distribution problem: 20 percent of Americans live in rural areas, but only 9 percent of physicians practice in them. High debt and low reimbursement are steering medical students away from primary care. GME should be reformed to foster broader workforce goals.

Dr. Fitzhugh Mullen testified that Graduate Medical Education (GME) is an important area of focus (and one over which the Finance Committee has jurisdiction). Medicare GME does not currently meet the needs of our workforce, and it should be changed so that it does. He spoke of the need for a national center for workforce studies. The federal government needs to provide incentives for training in non-hospital settings. Title VII programs are effective and have been massively underfunded.

Sen. Grassley wanted to know if there truly is a shortage of primary care doctors and what universal coverage would do to that system. One witness, Dr. Gorroll, mentioned that the data can be problematic. The Massachusetts data lists all internists as primary care. Using average waiting lists for primary care doctors has given them a better idea of the shortage. Another witness, Dr. Goodman, mentioned that the shortage of physicians in rural America is very real and that it would take relatively few people to rectify the problem. Increasing the National Health Service Corps would be a good idea.

Sen. Hatch (R-UT) asked the witnesses if a higher concentration of specialists leads to a high use of expensive, unnecessary services. Dr. Goroll said that studies show that unusually high numbers of physicians (regardless of specialty) often lead to over-utilization of services. But the research does show that a better mix of primary care made the use of services more efficient.

Sen. Baucus wanted Dr. Gorroll to clarify his point that payment would solve the primary care shortage. He wanted to know if Dr. Gorroll thought we should just fix payment and leave GME alone. Dr. Gorroll reiterated that payment is the most important issue. Dr. Goodman respectfully disagreed and mentioned that Medicare’s \$10 billion investment in GME should have better returns, such as better distribution, curricula, and accountability. Dr. Gorroll did not disagree, as long as the training is consistent with payment reform.

Finally, Sen. Baucus wanted to know how the federal government could pay for the increase of primary care doctors. Dr. Goroll cited Barbara Starfield's findings that increasing the amount of primary care will lower costs. He also mentioned that we already have universal coverage (emergency rooms), but it is incredibly inefficient and expensive.

3. REGIONAL FORUMS ON HEALTH REFORM ANNOUNCED

Following the White House Forum on Health Reform, at which AAFP President Ted Epperly, MD was called upon by President Obama, the Administration announced it would host a series of similar forums around the U.S. The White House announced the schedule earlier this week and the first forum took place in Dearborn, Michigan on Thursday, March 12.

Dearborn, Michigan Forum Summary from the *Kaiser Daily Health Policy Report*

Attendees at the first of five regional White House forums on health care reform, held on Thursday in Dearborn, Mich., expressed a common desire for overhauling the health care system. About 400 people were invited to the town-hall style meeting, moderated by Michigan Gov. Jennifer Granholm (D), Wisconsin Gov. Jim Doyle (D) and White House Domestic Policy Council Director Melody Barnes, who represented President Obama (Ali, *Detroit News*, 3/12). Those in attendance included CEOs of health care systems and insurance companies; representatives of labor unions, workers and retirees; and nursing professors, among other stakeholders in the health care overhaul debate. A taped message from President Obama was played to begin the forum. In it, he said, "Few challenges we face are as complex and consequential as reforming our health care system."

The issues addressed during the two-hour forum ran the gamut. However, the widespread agreement on the need for health care reform was made clear by comment after comment. Many people said there is a need to emphasize preventive, wellness and primary care, and to better utilize health information technology. Uninsured attendees indicated that they want to make sure their employers would be held accountable and not trim health care to shave costs. The business owners said that they support a sharing of costs so that their employees could be covered at affordable rates.

Future forums will be held in

- Tuesday, March 17 in Burlington, Vermont [to be hosted by Vermont Governor Jim Douglas (R) and Massachusetts Governor Deval Patrick (D)];
- Monday, March 23 in Des Moines, Iowa [to be hosted by Iowa Governor Chet Culver (D)];
- Tuesday, March 31 in Greensboro, North Carolina [hosted by North Carolina Governor Bev Perdue (D)]; and,
- Monday, April 6 in Los Angeles, California [to be hosted by California Governor Arnold Schwarzenegger (R)]

The North Carolina Academy of Family Physicians has been contacted regarding potentially having a few family physicians in attendance at the Greensboro Forum. AAFP Government Relations staff shared the dates and locations of Forums with state chapters, sent background materials on family medicine's federal priorities, and offered to provide further assistance in preparation should any chapters be invited or able to attend.

4. PROGRESS IN HEALTH REFORM OUTLINED

Senate HELP Committee staffers on Thursday held a two-hour meeting with more than 80 representatives of stakeholders to discuss what the Committee is doing to produce health care reform legislation. Participants included a representative of AAFP and of the Academic Family

Medicine Advocacy Alliance. The committee staff insisted that no bill outline or legislative language has been decided upon but said that the Senate hopes to pass a bill by the August congressional recess. Staffers laid out an overview of recent discussions on an overhaul and then opened up the floor for attendees to speak and ask questions.

5. APPROPRIATIONS MEASURE INCLUDES MODEST TITLE VII INCREASE

On March 11, nearly halfway through the federal the fiscal year, President Barack Obama signed into law H.R. 1105, the omnibus appropriations measure for fiscal year 2009, in order to get the FY 2010 process underway. Primary Care Medicine Training under Title VII will receive \$48.4 million under the omnibus spending measure for an increase of just under one percent over FY 2008.

6. FamMedPAC HELPED HOUSE MEMBERS WHO FAVOR PRIMARY CARE

AAFP President-elect Dr. Lori Heim attended a healthcare breakfast for **Rep. Xavier Becerra (D-CA)** who serves on the Health Subcommittee of the House Ways and Means Committee and House Budget Committee. Rep. Becerra embraced the patient centered medical home model as a key component of health care reform and asked those attending whether anyone opposed the medical home. He directed the question at a lobbyist for the temporary staffing industry who admitted that he did not know anything about it. Rep. Becerra then gave a good description and allowed Dr. Heim to elaborate.

AAFP President Dr. Ted Epperly attended a fundraising event for **Rep. Walt Minnick (D-ID)**. Rep. Minnick represents Dr. Epperly's district in Idaho. He is in his first term and FamMedPAC supported him in his first election campaign. Dr. Epperly thanked the Congressman for his support of the recently passed expansion of the children's health insurance legislation. Rep. Minnick spoke about his experience as an insurance executive and acknowledged the need to support primary care. He expressed concern with the federal government offering a "public option" for health insurance, but said he would examine the details of any government run plan and decide on his support at that time. He feels that the economy has to be the number one focus of Congress, but that healthcare would be the next issue addressed.

GR staff attended a healthcare event for **Rep. John Shimkus (R-IL)**, a new member of the House Energy and Commerce Health Subcommittee. Rep Shimkus spoke about the health reform debate in Congress and said he was not sure what the House would do this year. There was also a brief discussion of physician workforce issues, revolving mostly around loan forgiveness as a way to encourage medical students to pursue a particular field.

AAFP was invited to attend a healthcare lunch this week for **Rep. Joe Crowley (D-NY)**, who is a member of the House Ways & Means Committee, Chief Deputy Whip and newly appointed Vice Chairman of Finance for the Democratic Congressional Campaign Committee. Rep. Crowley said that supporting primary care would be one goal of the healthcare reform efforts in the House, as well as increasing the availability of health insurance coverage for all. He said that he wanted to protect the employer-based system of health insurance in any reform plan. He touched briefly on liability reform, as a representative of the Trial Lawyers was in attendance. He said that Congress would not be focusing on liability reform, but that he thought there may be some options for reform that physicians and attorneys could agree on.

7. STATE GOVERNMENT NEWS:

- **Washington House Passes Primary Care Payment Study Bill**

A bill championed by the Washington Academy of Family Physicians and the primary care coalition in the state passed the House unanimously on Monday, March 9, 96-0. The legislation aims to create a forum for testing primary care medical home payment demonstration projects. The forum will allow "public payors, private health carriers, third

party purchasers, and providers to identify appropriate reimbursement methods to align incentives in support of primary care medical homes.” Most remarkable about the legislation is the attempt to create a quasi “safe harbor” legally for the discussion by exempting participants from state antitrust laws and invocation of state action doctrine for protection from federal antitrust law. The bill now heads to the Senate.

- **State Medical Home Legislation Update**

The medical home continues to be an intriguing concept to state legislatures. After a slow start during the 2009 sessions—due largely to issues of post-election organization of chambers, assessing state budgets in the new economic climate, and waiting to determine what Federal aid may be coming—states once again are exploring the patient-centered medical home as a policy option. As of March 13, 2009, 79 bills in 25 states make at least a mention of the term “medical home.” Some **23 bills in 13 states** go further and attempt to define the medical home and/or provide for a demonstration/pilot program to begin implementing, or expanding, the concept in their respective states.

No legislation on the medical home has yet become law. For current bill status and text, visit AAFP’s state legislative tracking page at www.aafp.org/online/en/home/policy/state/statetrack.html.

- **Kansas AFP Continues Fight for Clean Indoor Air Act**

The Kansas Academy of Family Physicians continued its push in support of SB 25, the Kansas Clean Indoor Air Act. Opposition to the bill ramped up considerably following its approval by the Senate on a 26-13 vote on February 17th. Family physicians in the districts of members of the House Health and Human Services Committee, the bill’s first stop in the House, were urged to call their Representative.

- **Colorado and Georgia Aim to Cut Provider Payments for Medicaid**

The Colorado and Georgia Academies of Family Physicians are fighting to protect physician payments under Medicaid as their states continue to grapple with their budgets in the wake of the economic crisis. A SpeakOut alert was issued on behalf of the CO AFP urging members to call the Legislature’s Joint Budget Committee and ask them to preserve payments for the state’s safety net providers.