

March 27, 2009

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### Next Week in Washington...

- On Thursday, April 2, the Senate Committee on Finance will hold a hearing to consider the nomination of Governor Kathleen G. Sebelius to be Secretary of Health and Human Services.
- On Tuesday, March 31, the Health Subcommittee of the House Energy and Commerce Committee will hold a hearing on protecting the public health.
- On Wednesday, April 1, the House Ways and Means Committee will hold a hearing on proposals to reform the health care delivery system.
- On Thursday, April 2, the Energy and Commerce Subcommittee on Health will hold a hearing on proposals to reduce costs and increase value in health care.
- The House of Representatives may debate the *Family Smoking Prevention and Tobacco Control Act* (HR 1256).

## 1. AAFP INVITED TO WHITE HOUSE MEETING ON HEALTH REFORM

On March 25, AAFP staff participated in a White House Health Care Reform meeting along with representatives of other specialty societies, the AMA and several medical school deans. Chaired by Dr. Ezekiel Emanuel, Dr. Robert Kocher, and Dr. Dora Hughes, this was an opportunity for the administration to hear concerns of physician organizations regarding health reform. Dr. Emanuel gave an overview of the President's health reform agenda. Staff talked about the AAFP's goal of health care for everyone with a meaningful benefits package so people get the care that they need, and noted that to accomplish this some sort of a mandate will be essential. Other issues that emerged concerned the need for malpractice and antitrust relief, changes in GME funding to encourage ambulatory training, workforce reform to address the shortage of primary care physicians, the need for guidelines to improve quality, and meaningful payment reform.

## **2. CONGRESSIONAL HEARINGS ON HEALTH ISSUES CONTINUE**

### **House Energy and Commerce Subcommittee on Health**

The subcommittee held its third health reform hearing on Tuesday, March 24. This hearing concerned racial, ethnic, and geographic disparities in access to health care, and the role of the healthcare workforce in addressing these disparities, with particular emphasis on primary care and nursing.

At the hearing, the Committee Chairman, Rep. Henry A. Waxman (D-CA), said that health care reform must provide for not only universal coverage but also more primary care doctors and nurses to ensure that an insurance card actually gives the holder access to treatment. The Subcommittee Chairman, Rep. Frank Pallone (D-NJ), concurred about the need for more primary care physicians and pointed out that two-thirds of the physician workforce practice as specialists and the number of young physicians entering primary care fields is declining.

“The United States is experiencing a primary care shortage the likes of which we have not seen,” said Jeffrey P. Harris, president of the American College of Physicians. Lower pay is one of the biggest reasons, said Harris, who noted that the average primary care physician earns 55 percent of the average pay for other types of physician care. Harris called for “targeted annual increases” in the Medicare fee schedule payments for primary care physicians over a five-year period to make the field competitive with other physician specialties.

George Washington University professor Fitzhugh Mullan testified that “hard work, low pay and ‘lifestyle’ expectations of medical graduates today have resulted in dramatic reductions in interest in primary care in U.S. medical graduates.” He noted that the number of doctors overall in the United States is roughly what it should be but that geographic distribution is poor. Title VII programs under the Public Health Service Act should be “reinvented and reinvigorated,” he said, to create “incentives and educational pathways that will select and train students for primary care, rural health, diversity and social mission.”

Mullan also suggested changes in Medicare’s funding of graduate medical education (GME). Modest changes could push Medicare GME more toward community-based care rather than hospital-based care, he suggested. Major reform would entail requiring teaching hospitals “to undertake community or regionally oriented analyses of physician workforce needs,” he said.

GOP lawmakers picked up on the liability issue. Rep. Joe L. Barton of Texas, the top Republican on the Energy and Commerce Committee, urged the subcommittee “to take a serious look at liability reform, as we move into the overall issue of health care reform.” Barton asserted that a 2003 Texas law capping pain and suffering awards is bringing doctors back into the state, improving access to care by Texans “living in poor and medically underserved areas.”

### **Senate HELP Hearing on Health Insurance Reform**

Sen. Jeff Bingaman (D-NM) convened a hearing on health insurance reform before the Committee on Health, Education, Labor and Pensions on Tuesday, March 24.

Several witnesses and committee members appealed for continuation of the employer-based health insurance system, indicated support for coverage for all through some kind of individual mandate with sliding scale subsidies, incentives for small businesses (e.g., tax credits), an end to health status rating, improved portability and cost-containment, and finally provider payment reform (e.g., value-based purchasing, bundling) with an emphasis on

prevention and wellness. Most witnesses also appeared to favor federal guidelines (not too strict as to interfere with markets) but enforcement at the state level.

There was considerable discussion of whether a public program would be necessary or even able to coexist with the private insurers. The insurers voiced strong opposition to the concept. The creation of a public health care plan could turn out to be a crucial issue on which the success or failure of legislative efforts is based.

Sen. Tom Coburn (R-OK) spoke emphatically in favor of increasing the value of and payment for primary care services indicating it was essential to health reform to begin to fill the training pipeline. Sen. Richard Burr (R-NC) said he had hoped to hear more discussion of the medical home but also indicated that prevention and wellness were very important. He said provisions needed to be included that reinforced prevention and wellness at the patient level and not just for employers.

### **3. FAMILY MEDICINE MEETS WITH HRSA ON TITLE VII**

On Monday, March 23, AAFP and AFMAA staff met with the new administrator of HRSA, Mary Wakefield, PhD, RN, FAAM, as well as Marcia Brand, HRSA's acting deputy administrator, and Diana Espinosa, the acting associate administrator for the Bureau of Health Professions, to follow up on the March 2 family medicine letter sent to HRSA in support of doubling Section 747 with the stimulus bill monies. Although the HRSA leaders were unable to provide information about the allocation of the stimulus funds, HRSA has submitted to HHS a proposal for their distribution. The proposal may soon be approved so that the grant process could get underway next month. There will be additional reporting requirements on stimulus grants.

### **4. THIRD WHITE HOUSE REGIONAL FORUM HELD IN DES MOINES, IOWA**

Following the White House Forum on Health Reform, the Administration announced it would host a series of similar forums around the U.S. The third such forum took place in Des Moines, Iowa on Monday, March 23, and was hosted by Governor Chet Culver (D) of Iowa and Governor Mike Rounds (R) of South Dakota, and included Director of the White House Office of Health Reform Nancy-Ann DeParle, US Senator Tom Harkin (D-IA) and Rep. Leonard Boswell (D-IA).

David Carlyle, MD (Ames, Iowa) was invited to participate in the March 23 forum in Des Moines. Information on the time, location and ticketing for the Des Moines forum, as well as AAFP background materials and an offer of assistance in preparing any potential family physician participants, were shared with the executives of the Iowa AFP, Illinois AFP, Kansas AFP, Minnesota AFP, Missouri AFP, Nebraska AFP, South Dakota AFP, and Wisconsin AFP.

#### *Future Forums*

- Tuesday, March 31 in Greensboro, North Carolina, hosted by Governor Bev Perdue (D)
- Monday, April 6 in Los Angeles, hosted by Governor Arnold Schwarzenegger (R)

Family physicians and chapters may submit questions online at [www.healthreform.gov/regionalhealthforum.html](http://www.healthreform.gov/regionalhealthforum.html).

#### Greensboro, North Carolina

Organizers of the Greensboro forum on March 31 have invited the NC AFP to attend. AAFP President-Elect Lori Heim, MD will attend, joining several NC AFP leaders: Drs. Christopher Snyder III, (NC AFP Board Chair), Robert Rich, Jr. (NC AFP President); Conrad Flick; J. Carson Rounds; and Allen Dobson; and Mr. Greg Griggs (NC AFP Executive Vice President). Lloyd Michener, MD, Chair of the Department of Community and Family Medicine at Duke University; and his predecessor, Harvey Estes, MD also may attend.

Additionally, Hogai Nassery, MD, from the Georgia AFP entered the lottery, received a ticket and plans to make the five-hour drive from Atlanta to attend.

Information on the time, location and ticketing for the Greensboro forum, as well as AAFP background materials and an offer of assistance in preparing any potential family physician participants, were shared with the executives of the North Carolina AFP, Georgia AFP, Kentucky AFP, South Carolina AFP, Tennessee AFP, Virginia AFP, and West Virginia AFP.

#### Los Angeles, California

The CA AFP is considering attending the Los Angeles forum. Once available, information on the time, location and ticketing for the Los Angeles forum, as well as AAFP background materials and an offer of assistance in preparing any potential family physician participants, will be shared with the executives of chapter executives in the region.

AAFP State Government Relations staff distributed background materials on AAFP's federal priorities to all chapter executives following the announcement of the regional forums.

#### *Past Forums*

##### Dearborn, Michigan

The first regional forum was held on Thursday, March 12 in Dearborn, Michigan, one week after the White House event. AAFP state government relations staff contacted the Michigan AFP regarding the possible attendance by a family physician or chapter representative. MI AFP President Angelo Patsalis, MD attended the forum wearing his white lab coat. He noted that there was an agreement on the need to emphasize prevention, wellness and primary care.

##### Burlington, Vermont

The second forum on health reform was held on Tuesday, March 17 in Burlington, Vermont and was hosted by Governor Jim Douglas (R) of Vermont and Governor Deval Patrick (D) of Massachusetts with special guest Nancy-Ann DeParle, Director of the White House Office of Health Reform.

## **5. BUDGET COMMITTEES APPROVE FISCAL YEAR 2010 BUDGETS**

### **House Budget**

Late in the night of Wednesday, March 25, the House Budget Committee passed the FY 2010 budget resolution, which includes provisions to fund President Obama's plan to reform the health care system. The resolution passed on a 24 to 15, party-line vote.

The resolution calls for Medicare physician payment reform and includes positive references to primary care:

- The budget would eliminate the debt of over \$300 billion that had accumulated because of the provisions that Congress had used in the previous 7 years to prevent pending reductions in the fee schedule.
- The elimination of this debt requires that Medicare payment reforms:
  - change incentives to encourage efficiency and higher quality care;
  - improve payment accuracy to encourage efficient use of resources and ensure that primary care receives appropriate compensation;
  - improve coordination of care among all providers serving a patient in all appropriate settings; or
  - hold providers accountable for their utilization patterns and quality of care.

### **Senate Budget**

Late on Thursday, March 26, the Senate Budget Committee approved its budget resolution which includes a provision to pay for health reform legislation that expands affordable

coverage, improves health care quality and health outcomes, and constrains costs. The Senate measure would increase the reimbursement rate for physician services under Medicare Part B, encourage physicians to train in primary care residencies and ensure an adequate supply of residents and physicians. However, unlike the House version, the Senate budget would require Congress to find either additional tax revenues or spending reductions to pay for the health reform proposal if savings are not achieved after 5 years.

On a party line vote of 10-13, the budget panel defeated an amendment that Sen. Judd Gregg (R-NH) offered to require that healthcare reform legislation include offsetting spending reductions and revenue increases beginning October 1, 2009. The budget resolution offers an exemption for this budget-neutrality requirement in the early years, at the request of the Senate Finance Committee, but not for later years when savings are expected.

The Senate budget also calls for “measures to encourage physicians to train in primary care residencies and ensure an adequate supply of residents and physicians.”

### **Conference Forecast**

One key issue to be addressed by the House-Senate conference on the budget is whether to keep the procedural mechanism included by the House to protect sensitive legislation – such as health care reform – from a Senate filibuster. The Senate version did not call for a budget “reconciliation” bill which would be exempt from the 60-vote hurdle. If the final product includes a requirement for budget reconciliation for health reform, then the Democratic majority in the Senate may attempt to use that as leverage to extract Republican support for separate health reform legislation, with the threat being “cooperate on the separate health reform legislation or the leadership will use the reconciliation bill to bypass the minority entirely.”

## **6. FAMILY MEDICINE MEETS WITH THE NATIONAL RURAL HEALTH ASSOCIATION**

GR staff representing AAFP and the Academic Family Medicine Advocacy Alliance (AFMAA) met with representatives of the National Rural Health Association to brief them on updated family medicine policy on the modernization of graduate medical education. The recently approved AFMAA and AAFP policy was discussed. NRHA reps indicated a general sense of agreement but will seek to explore potential impact on rural health facilities including rural and critical access hospitals, rural health clinics and community health centers.

NRHA also indicated they are working with the rural health caucuses in the Senate and House on an incremental workforce bill that will include payment provisions.

## **7. AAFP CONNECT FOR REFORM**

This week, AAFP Connect for Reform sent its first email to AAFP members who have chosen to participate in this historic campaign. The email and blog post feature an update on the health care reform time line from Kevin Burke, Director of Government Relations. Visit [www.aafp.org/connect4reform](http://www.aafp.org/connect4reform) for regular updates and to join the campaign.

## **8. FAMILY PHYSICIAN TO HEAD INDIAN HEALTH SERVICE**

President Obama has announced the nomination of Yvette Roubideaux, an assistant professor of family medicine at the University of Arizona’s College of Medicine, to become director of the Indian Health Service.

Dr. Roubideaux has conducted extensive research on health policy issues relating to American Indians and Alaska Natives, particularly on diabetes. She co-directs a center that oversees programs in 66 communities to prevent diabetes and cardiovascular disease. She also directs

programs to recruit American Indians and Alaska Natives into the health and research professions.

Although not a member of AAFP, Dr. Roubideaux served as president of the Association of American Indian Physicians in 1999-2000. She also has served in the Indian Health Service as a medical officer and earned her medical degree at Harvard Medical School and a master's degree in public health at the Harvard School of Public Health. She is a member of the Rosebud Sioux tribe.

## 9. FamMedPAC REPORT

Government Relations staff attended a healthcare lunch for **Sen. Chris Dodd (D-CT)** who serves on the HELP Committee and is Chair of the Banking Committee. The Senator spoke about the healthcare reform efforts underway in Congress and said that the financial situation and the healthcare situation are combined because of the economic impact. He knows that key Senators are working day and night on health care reform but had no predictions on the final product or the timing of any legislation. His fundamental principles for health care reform are quality, universality and prevention, and he will be working to make sure any reform proposals address all three.

GR staff attended a healthcare breakfast for the **House Majority Leader, Rep. Steny Hoyer (D-MD)**. He led the discussion of House procedures and described his role as coordinator of the three House committees that will deal with health reform legislation. He is hoping that a bill will be ready to be introduced in the next few months under the sponsorship of Rep. Dingell. Once the bill is introduced, the Energy and Commerce Committee, the Ways and Means Committee and the Education and Labor Committee will each move quickly to debate and approve their portions. Then, his target for completing consideration is before the August recess begins, but he cautioned several times that this was a target, not a deadline. He mentioned that, official target dates for adjournment notwithstanding, Congress is likely to be in session until mid-December, so they will have more time than might be apparent. He hopes that appropriations bills (and he wants the appropriations bills considered *seriatim*, not collectively), energy legislation and defense authorization will be considered in June. That is terribly ambitious, he thought, and so debate on any of these issues will move potentially into July, impinging on the time for debate on health care reform.

## 10. STATE GOVERNMENT NEWS

- **Iowa Senate Approves Bill to Expand Health Insurance to More Children**  
The Iowa Senate on Thursday, March 19, voted 30-18 to approve a bill that would extend health insurance to 30,000 children and set up a commission to help residents obtain affordable coverage, the Des Moines Register reports. An estimated 40,000 children in the state are uninsured, and most of those children already qualify for Medicaid or the Hawk-I program, according to the Register. The bill would increase efforts to identify those children. The bill also would increase the income eligibility limit to 300 percent of the federal poverty level. The bill calls for the commission to design ways to help low-income or middle-income residents obtain insurance, possibly through allowing small businesses and not-for-profit groups to buy into the state employees' insurance plan. The commission will present its proposals for other options next year.
- **New Mexico Bills Favor Primary Care**  
The NM General Assembly passed and sent two bills to Governor Bill Richardson (D) that aim to help primary care in the largely rural state. The first establishes a medical home program for New Mexico Medicaid, CHIP and the State Coverage Initiative (a public-private partnership that covers working poor). A second measure will provide

conditional tuition remission for up to 10 medical students who choose to practice primary care in an underserved site.

- **State Medical Home Legislation Update**

The medical home continues to be debated in state legislatures. As of March 13, 84 bills in 29 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 or provide for a demonstration 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 [aafp.org/online/en/home/policy/state/statetrack.html](http://aafp.org/online/en/home/policy/state/statetrack.html).

*Georgia*

The Georgia AFP saw action on a Senate resolution that aims to create a Medical Home Study Committee. The bill’s sponsor is Senator Don Thomas, MD, a family physician. Rick Wherry, MD, FamMedPAC Board member, testified in support of the measure. It now goes to the Senate Rules Committee, where it is expected to be addressed quickly, and may be on the Senate calendar next Wednesday, April 1.

*Wisconsin*

The Wisconsin Joint Legislative Council—the panel responsible for reviewing legislation recommended by the special study committees under its purview—adopted the recommendation of the Special Committee on Performance-Based Disease Management Programs for a Patient Centered Medical Home (PCMH) pilot program for Medicaid recipients. The proposal will now officially be introduced as a stand-alone bill sponsored by the Joint Legislative Council.

The bill will direct the Wisconsin Department of Health Services to establish a PCMH pilot program for the state’s Medicaid population. Under the pilot program, a participating physician practice certified by NCQA as a Patient-Centered Medical Home would receive increased payments for face-to-face care services and a per patient, per month care management fee. Additionally, the bill would require the increased payments be sufficient to provide a real incentive for providers to participate in the program. The WI AAFP has engaged the legislature closely throughout the development of the proposal.