

May 1, 2009

IN THIS REPORT...

1. Senate Finance Committee Releases Options for Health Delivery System Reforms
2. House, Senate Pass FY 2010 Budget Resolution
3. House and Senate Circulate Letter in Support of Title VII Funding
4. FamMedPAC Participates in ALF and several events in Washington
5. Of Interest to Family Physicians...
 - Governor Sebelius is confirmed and sworn in as Secretary of HHS
 - Senator Arlen Specter switches parties to run for reelection as a Democrat

NEXT WEEK IN WASHINGTON...

On Wednesday, May 6, the House Ways and Means Committee will hold a hearing with the new Secretary to discuss her plans for HHS. The committee also will hold a hearing on employer-sponsored health insurance.

On Tuesday, May 5, the Senate Finance Committee will conduct the second of its three health care reform roundtables. This roundtable will deal with expanding coverage to all.

1. SENATORS CONSIDER FIRST SET OF HEALTH REFORM OPTIONS

On Wednesday, April 29, the Senate Finance Committee staff released what they termed an “Options Paper for Health Delivery System Reforms,” that outlined some of the concepts that the Committee will consider as it develops health reform legislation. The paper described a modest increase in Medicare payment to primary care services of “at least” 5 percent for the next five years. This would be in addition to the regular payment increase of 1 percent in 2010 and another 1 percent in 2011.

There is a provision to allow Medicare to reimburse physicians for care management activities performed by nurse care managers for beneficiaries who had been discharged from the hospital within six months. Another provision would pay primary care physicians a “modest fee” to provide evaluation and management services to a patient discharged from the hospital for treatment of a specified chronic disease that does not return to the hospital for 60 days for treatment of the same chronic disease.

The paper also outlines an option to move unused residency slots to primary care residencies, but it does not include additional payments that would make it more attractive for hospitals to support family medicine residency programs. There also are instructions to CMS to promote residency training in non-hospital sites.

The document includes a version the legislation to require pharmaceutical and device manufacturers to report payments or gifts of value to physicians. There also is a section that restricts the use of the “whole hospital” exception to the Stark laws that allow for physician-owned specialty hospitals.

The AAFP staff is meeting with other physician groups and interested parties to coordinate a response to these and other proposals outlined in the options paper. The staff will meet with the Finance Committee staff to discuss these responses informally, and AAFP will submit formal comments by May 15.

2. ON PRESIDENT'S 100TH DAY, CONGRESS PASSES BUDGET

On Wednesday, April 29, House passed the fiscal year 2010 budget resolution conference report ([S.Con.Res 13](#)) by a vote of 233 to 193, and the Senate cleared it by a vote of 53 to 43. No Republicans supported the budget, which provides a total of \$384.3 billion in expenditure authority. The discretionary spending level set out in the budget document is \$10 billion less than what the President requested in his budget.

The budget does call for increased funding consistent with the President's priorities for NIH, HRSA, CDC, IHS, and FDA. The Congressional budget assumes significant increases for Community Health Centers, health professions, and the National Health Service Corps as well as FDA food safety efforts. However, the Appropriations Committees will set the final spending levels for those agencies and programs

Although the budget highlights primary care under the Medicare payment section calling for "improved payment accuracy to encourage efficient use of resources and ensure that primary care receives appropriate compensation," House Democratic leaders have pledged that any extensions of the Medicare payment patch or tax cuts would need to be offset either by tax increases or by reductions in other spending categories.

The budget conference report includes a provision known as "reconciliation instructions" for health care reform and education which allows for easier Senate consideration of those measures by requiring only 51 votes rather than the 60 for final passage. Democrats have said that reconciliation is a fallback position, and that they would prefer to write a bipartisan health care bill.

3. REPRESENTATIVES URGE INCREASED TITLE VII FUNDS, SENATE TO FOLLOW

Reps. Diana DeGette (D-CO) and Cathy McMorris Rodgers (R-WA) organized the April 2 [letter](#) signed by 68 members of Congress urging a renewed investment in the Title VII health professions. The letter to House Labor-HHS-Education Appropriations Subcommittee Chair, Rep. Dave Obey (D-WI), and the senior Republican, Rep. Todd Tiahrt (R-KS), requests \$330 million for the programs in FY 2010 "to continue to improve the distribution, quality, and diversity of the health professions workforce in a manner that is consistent both with the needs of the nation and the President's pledge to invest in strengthening the health care workforce." Senators Jack Reed (D-RI) and Pat Roberts (R-KS) are circulating the Senate version of the Title VII appropriations request letter.

6. FamMedPAC PARTICIPATES IN ALF AND EVENTS IN WASHINGTON

FamMedPAC was part of the Government Relations booth at the ALF/NCSC in Kansas City. The PAC received a total of \$20,192 in contributions from 38 AAFP members and staff. The PAC unveiled its new "Student/Resident Leadership Level" pin to acknowledge those students and residents who contribute at least \$100 to the PAC. A blast e-mail to all students and residents went out the Friday of ALF.

Since the beginning of the year, the PAC has received \$123,367 in contributions from 342 AAFP members and staff. The PAC has contributed \$110,500 to 34 candidates and committees in the 2009 – 2010 election cycle.

GR Staff attended a health care reception in Washington, D.C., for the Blue Dog Democrats, which is a coalition of moderate to conservative Democratic Representatives. Staff spoke with several members of the caucus including **Reps. Walt Minnick (ID), Barron Hill (IN), Travis Childers (MS), Earl Pomeroy (ND), Leonard Boswell (IA), and Allen Boyd (FL)**. Rep. Minnick indicated a willingness to enhance our nation's primary care system. Rep. Pomeroy again pledged his support from primary care. He invited AAFP to help him identify specific ways by which the enhanced payment for primary care can be achieved. Rep. Boyd said the Congress needed to do something to encourage more people to go into family medicine.

AAFP President Dr. Ted Epperly and staff attended a health care lunch in Washington, D.C., for **Sen. Arlen Specter (D-PA)**. This was the first event for Sen. Specter following his switch to the Democratic Party. The Senator shook hands with Dr. Epperly, and told him that family physicians do good work and "we really need more of them." The Senator spoke about his years on Appropriations and HELP and how proud he was of his work to improve health in our nation. He is most proud of his \$10 billion for NIH in recovery bill because biomedical research saved his life and those of many other Americans.

Staff attended a medical PAC fundraiser in Washington, D.C., headlined by Ways and Means Health Subcommittee Chairmen **Rep. Pete Stark (D-CA)** and Energy and Commerce Health Subcommittee Chairman **Rep. Frank Pallone (D-NJ)** in support of the Democratic Congressional Campaign Committee. The chairmen were quite vocal about their goals to pass a bill in their committees and have the House debate it before August. They want physician support and are intent on not letting the SGR cut take place. They do want to fix it long term but would not say what would constitute "a fix." Both recognized the need for doing something for primary care. Both also believe that a public plan option is a necessity in health reform.

Staff attended a health care meeting with **Rep. Peter Welch (D-VT)**, a new member of the Energy and Commerce Committee. He discussed his experiences with health reform issues in Vermont in the state legislature. Rep. Welch discussed the medical home at length and said he wholeheartedly supported it because it was the basis for their reform in Vermont.

Staff attended a health care lunch for **Rep. Parker Griffith (D-AL)**, in which AAFP was the only representative of primary care. Rep. Griffith is a radiation oncologist and a freshman legislator. He believes that physicians have created some of their own problems by coming to Congress only to ask for a fix to the physician payment formula. He singled out the shortage of primary care physicians as a real problem, but then added that he did not believe that increasing payment will result in more physicians entering primary care.

AAFP President Dr. Ted Epperly and staff attended a health care breakfast in Washington, D.C., for **Speaker of the House, Rep. Nancy Pelosi (D-CA)**. The Speaker expressed her particular concern for remedying health care disparities and lessening the burden of debt on medical students, especially those who eventually practice in underserved areas. She was joined by **Rep. Steny Hoyer (D-MD)**, who is the House Majority Leader. He is in charge of organizing the 3 committees in the House that have jurisdiction over segments of the health reform issues. He noted that his Congressional District, unlike the Speaker's, is mostly rural and suburban and that the real health care challenge is securing enough primary care providers. He echoed the Speaker in supporting assistance for students who choose to work in underserved areas, but he noted there is a compelling need for primary care physicians now. Dr. Epperly asked the Speaker what she thought should be done for primary care, and she returned to her points about relieving debt burden by loan forgiveness programs. Her health policy staff director, Dr. Wendel Primus, added that they are very concerned about the 3 to 1 disparity in income between primary care physicians and most specialists, and that this disparity clearly contributes to the shortage of primary care.

AAFP Student Board Representative Amy McIntyre and staff attended a health care meeting with **Sen. Kay Hagan (D-NC)**. Sen. Hagan noted that her son is getting a dual MD-PhD from the University of North Carolina and is interested in cancer research. She pointed out that she was a strong supporter of physician issues when she served in the state senate and that she intends to focus on health care as a U.S. senator. She is very familiar with the medical home model of care, and expressed support for Dr. Alan Dobson's efforts with the North Carolina health system.

Dr. McIntyre also ran into **Rep. Patrick Kennedy (D-RI)**, who represents her congressional district. She spoke to him about primary care and his efforts on mental health parity. He said that we need more family physicians and that he was supportive of increasing payments to primary care physicians under Medicare.

Finally, GR staff participated in a fundraiser for **Rep. Anna Eshoo (D-CA)**, who is a member of the House Energy and Commerce Health Subcommittee. She told the medical group representatives that the committee will devise a health reform bill that will include the principle of universality and include a public plan.