

June 19, 2009

IN THIS REPORT...

1. HELP Committee Begins Consideration of Health Reform Bill
2. AAFP Participates in Capitol Hill Primary Care Day
3. Family Doctors Contact the Senate
4. FamMedPAC Continues to Support Advocacy Efforts
5. Oregon Expands Health Reform

NEXT WEEK IN WASHINGTON...

- + On Wednesday, AAFP Will Testify on Health Reform in the House Ways and Means Committee
- + On Thursday, AAFP Will Testify in the House Energy and Commerce Committee
- + AAFP May Testify in the House Education and Labor Committee
- + Senate HELP Committee Health Reform Debate Continues

1. HEALTH REFORM EFFORTS MOVES FORWARD SLOWLY

On June 17, the Senate Health, Education, Labor and Pensions (HELP) Committee began considering hundreds of amendments to be offered to the *Affordable Health Choices Act* in the Committee markup process. However, Committee Republicans are using the debate to highlight the projected cost of the bill.

The Congressional Budget Office (CBO) and the Joint Committee on Taxation estimate that enacting the *Affordable Health Choices Act* would result in a net increase in federal budget deficits of about \$1.0 trillion over the 2010-2019 period. In a letter dated June 15, CBO also projected that this bill would cover about 39 million individuals while the number of people who had employer-based coverage would decline by about 15 million, and coverage from other sources would fall by about 8 million. The result of this narrowly-drafted bill would be a net decrease in the number uninsured would be about 16 or 17 million. However, it is important to note that the HELP Committee's bill which is limited because the Committee lacks jurisdiction over Medicaid, is not the complete health reform bill.

The rest of the health reform legislation is handled by the Finance Committee. Its chairman Sen. Max Baucus (D-MT) said the CBO score of \$1.6 trillion his committee's draft has caused him to reconsider many of its provisions. The Finance Committee bill is expected to be scaled-back from the initial draft to reduce the planned health care subsidies and restrict Medicaid eligibility. Chairman Baucus is said to have bipartisan consensus on a health insurance exchange, coverage and insurance reforms, but the negotiations on a public plan option are difficult. It is likely that the Finance Committee will not be able to debate its bill until after the

July Fourth recess. The bills that the HELP and Finance Committees approve will be combined for debate in the full Senate later this summer.

This afternoon, the Chairmen of the three House committees with jurisdiction over health reform held a press conference to announce the release of their health care reform discussion draft.

The AAFP has been invited to testify at two of the three Committees' hearings to be held next week and may be invited to the third.

2. AAFP PARTICIPATES IN PRIMARY CARE DAY ON CAPITOL HILL

Dr. Ted Epperly, the President of AAFP, along with Dr. Jim Stubbs, the President of the American College of Physicians, and Dr. Larry Wickless, the President-Elect of the American Osteopathic Association visited leaders of both the House and the Senate and held a press conference in Washington on Thursday, June 18, to highlight the value and importance of primary care in the discussion of health reform. The officials met with Senator Dick Durbin (D-IL), who is the Assistant Majority Leader, and with Rep. Alyson Schwartz (D-PA), who is a member of the House Ways and Means Committee and the principal sponsor of legislation to promote primary care. In addition, they met with staff for Senator Harry Reid (D-NV), the Senate Majority Leader, Rep. Steny Hoyer (D-MD), the Majority Leader for the House of Representatives, and Rep. John Dingell (D-MI), the Chairman Emeritus of the Energy and Commerce Committee and the sponsor of health reform legislation in the House.

3. AAFP GRASSROOTS GETS THE MESSAGE TO SENATORS

Last week, AAFP Connect for Reform asked members to contact their Senators about the role of primary care and health reform legislation. So far, 962 members have sent 1,957 messages (letters and e-mails) to their Senators.

4. FamMedPAC CONTINUES TO SUPPORT ADVOCACY EFFORTS

FamMedPAC participated in several events this week. The PAC has made 71 campaign contributions totaling over \$200,000 since the first of the year. Staff participated in the following events:

- The National Republican Congressional Committee. Energy and Commerce Committee Republicans, **Mike Rogers (MI)**, **Tim Murphy (PA)**, **Phil Gingrey (GA)**, and **John Shadegg (AZ)** jointly hosted the event. The legislators described Republican efforts to defeat what they described as the government takeover of health care.
- **Rep. Wally Herger (R-CA)**. He is the senior Republican on the Ways and Means Health Subcommittee. Rep Herger also opposes a government takeover of health care, a single-payer solution and rationing of health care. He cannot support any public plan that would cause over 100 million people to leave private insurance and go with a government-run plan. He can support comparative effective research if it is not used to limit care for patients. He does not want anything to stand between patients and their doctors. He said he was for a permanent fix to the SGR problem and that if he becomes chair of the subcommittee he promises to do away with the formula.
- **Rep. Lois Capps (D-CA)**. A member of the Energy and Commerce Health Subcommittee, Rep. Capps touched briefly on efforts needed to encourage medical students to choose primary care and how the large difference in reimbursement rates discourages primary care as a career.

- **Rep. Steve Kagen (D-WI)**, a physician who FamMedPAC supported in his initial election to Congress in 2006. The special guest at the dinner was Energy and Commerce Health Care Subcommittee Chair **Rep. Frank Pallone (D-NJ)**. Rep. Kagen is a strong supporter of primary care and, even though he is not on the relevant Committees, has been following the development of the legislation closely. Rep. Pallone said the House bill will include a "public plan" option. Rep. Kagen is pushing for inclusion of a mandated list of "standard benefits" which all health insurance plans, including the "public plan," would have to offer. He mentioned the Medical Home and said **Rep. Bruce Braley (D-IA)** was a strong proponent. Pallone felt demonstration projects were all they could include, with the hope that these would provide "real world" examples of the benefits of moving to this model down the road. Rep. Pallone mentioned the discussions about turning MedPAC into a regulating body, rather than an advisory one, and how their recommendations would go into effect unless Congress acted to block them. He said that he is opposed to this and said if it was included in the bill, he would vote against it. He said he has been reassured that this will not be included in the legislation.
- **Sen. Blanche Lincoln (D-AR)** who is a member of the Senate Finance Committee. The Senator is married to a physician and her legislative assistant Ashley Ridlon's father is a family physician. The senator spoke of the need to increase primary care workforce. She said that the Finance Committee is going back to the drawing board in view of the \$1.6 trillion CBO score and that it is likely we will not see a draft of the Senate Finance Committee bill until after the July 4th recess. She expects the bill to include a public plan option and believes a co-op model holds promise. The senator fielded questions about radiology cuts, PQRI (punishment for non participation) and MedPAC transformation.
- **Rep. Bill Cassidy (R-LA)**, a physician and former professor of medicine at LSU. Rep. Cassidy is in his first term. FamMedPAC supported his election in 2008. Rep. Cassidy serves on the Education and Labor Committee and has been attending hearings of the Health Subcommittee. He serves on the Republican Health Care Task Force that is drafting the Republican response to the Democrat's plan. He spoke of the need to find some way to encourage medical students to enter choose primary care, and felt that any legislation coming from the House would benefit primary care physicians. He is drafting a bill that would combine the "concierge" model of care with a high deductible health plan. He feels this gives both patients and physicians an incentive to reduce costs and provide excellent care and will help primary care. He does not expect his bill to pass, but wants to get it out in time so that it may be part of the health reform debate. Rep. Cassidy does not think the proposals coming from the Democrats are realistic, and that the costs will eventually require the plans to be scaled back significantly. He commented specifically on the Accountable Care Organizations and said he thought this was just an "academic exercise" since they don't exist now and nobody can explain how they would work.

5. OREGON LEGISLATURE EXPANDS HEALTH REFORM EFFORTS

The Oregon Legislature sent Governor Ted Kulongoski (D) two significant health reform bills late last week. .

The first one seeks to carry out the recommendations of the Oregon Health Fund Board. Their keystone recommendation was to establish the Oregon Health Authority to tackle affordability, transparency and quality of health care in Oregon, and more specifically, to:

- * Bring everyone under the tent
- * Set high standards, measure and report
- * Unify purchasing power
- * Stimulate system innovation and improvement

- * Ensure health equity for all
- * Train a new health care work force
- * Advocate for federal changes

The second bill provides the revenue to expand the Oregon Health Plan (OHP, Oregon's Medicaid plan). The Oregon Health Fund Board, among its recommendations, said that Oregon should maximize the current waiver that Oregon has and seek revenue to cover people to combine with available matching federal funds to add uninsured children and low-income adults to the OHP. The recent federal stimulus legislation added additional matching funds that Oregon could draw down. The current estimates are \$1 billion in this biennium and \$1 billion in the next biennium, funds that Oregon sorely needs.