

July 10, 2009

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### NEXT WEEK IN WASHINGTON...

- \* Senate HELP to Continue Health Reform Markup
- \* House Appropriations Committee to Markup FY 2010 HHS Spending Bill

## 1. HEALTH REFORM SLOWED BY CBO SCORE AND BLUE DOG CONCERNS

The Senate Finance Committee bill has not yet been introduced as members continue to work with the Congressional Budget Office (CBO) to find adequate Medicare and Medicaid savings and other revenue to pay the expected \$1 trillion cost of their health reform measure. Senate Majority Leader Harry Reid (D-NV) has insisted that the bill not include taxes on employer-based health benefits, which was estimated to have brought in \$320 billion. As a result, Chairman Max Baucus (D-MT) met with members on Thursday to discuss a number of other financing options, including higher taxes on individuals earning more than \$500,000; taxing health benefits at a greater level; and charging fees to pharmaceutical companies. Sen. Kent Conrad (D-ND) also has stated that he will look at savings in care coordination activities. Senator Baucus is still insisting that the committee will meet their self-imposed August deadline for completing Senate work.

Thursday, July 9 was the 10th day of the Senate HELP Committee's markup of health reform. Among the many amendments debated over the course of the markup was a Republican amendment to strip the public health insurance option from the bill, which was defeated by HELP Committee Democrats. A key amendment to remove the "pay or play" provisions also was defeated. Members will reconvene Monday to continue the process of amending the draft bill. The death of Acting Chairman Sen. Chris Dodd's sister caused him to relinquish the gavel temporarily, further complicating the markup. The AAFP and four other family medicine organizations sent a letter to committee members urging them to support the bill.

The House health reform legislation was to be introduced today, Friday, July 10. However, the Blue Dog Coalition, a fiscally conservative Democratic group, wrote to Speaker Nancy Pelosi (D-CA) and Majority Leader Steny Hoyer (D-MD) to insist that the bill be deficit neutral; bipartisan; equitable for rural communities; protective of small business; and genuinely reform the delivery system to cut health care cost growth. The votes of the 51 Democrats are seen as

critical to the passage of health care reform. The Energy and Commerce Committee markup, originally scheduled for Monday, July 13, has been postponed. The AAFP, ACP and the AOA sent a letter to Democratic members of the House Ways and Means committee urging a 10% bonus for primary care physicians and all organizations also sent out alerts to their members.

## **2. AAFP PRESIDENT-ELECT CALLS FOR ACTION ON PRIMARY CARE WORKFORCE**

AAFP President-elect Lori Heim, MD, testified July 8<sup>th</sup> at the House Small Business Committee hearing on "The Looming Challenge for Small Medical Practices: The Projected Shortage and How Health Care Reforms Can Address the Problem." She was on an all-physician panel, which included the neurosurgery department chair at Penn State Hershey Medical Center, a professor of surgery at UNC Chapel Hill, the AOA president and an internist from Missouri.

In opening statements, both Committee Chairwoman Nydia Velazquez (D-NY) and Ranking Republican Sam Graves (R-MO) described primary care physicians as the backbone of the health care system and recognized their shortage as a threat to U.S. health care. Rep. Graves also acknowledged that PAs and NPs are increasingly specializing and pointed to the PC/subspecialty income gap as a serious problem.

In her testimony, Dr. Heim described for the Committee the principles and value of the Patient-Centered Medical Home model of care, along with the need to adopt policies to ensure an adequate number of family physicians. The surgeons on the panel called on the Committee to recognize that they too had shortages and asked that all subspecialties be given access to Title VII and NHSC funds.

Dr. Heim's testimony was posted to YouTube by the Committee and can be found at <http://www.youtube.com/watch?v=l1yuGGKVtQA&feature=Playlist&p=3D8883DCF4462A6B&index=5>.

## **3. HOUSE SUBCOMMITTEE MARK PROPOSES INCREASE FOR TITLE VII**

Appropriations Committee Chairman Dave Obey (D-WI) presented a draft fiscal year 2010 spending bill that will increase Title VII and Title VIII by an amount slightly above the President's budget request. The president had asked that Title VII health professions program be increased by 19.4 percent. Chairman Obey said in a prepared statement, "(r)ecognizing that we expect to pass a health reform bill this year, it would be irresponsible not to build the capacity of the health care system to deal with the additional demand that will be created." The Chairman's draft included \$530 million for HRSA to expand training programs across the health professions and nursing fields, which provides a 34.9 percent increase over 2009, and the same amount as the request. The Committee has embargoed the specific account details until the full panel markup scheduled for next Tuesday, July 14.

## **4. FAMMEDPAC SUPPORTS KEY LEADERS IN HEALTH REFORM DEBATE**

Government Relations staff attended a health care event for **Sen. Debbie Stabenow** (D-MI), who serves on the Senate Finance Committee. The Senator indicated that the committee still is seeking bipartisanship as it crafts health reform legislation and looks for 60 votes. She believes Republicans and Democrats are about \$350 billion apart on cost. Stabenow indicated the issues of a public plan option and taxing employer sponsored coverage still are unresolved and that a public plan may come in the form of a "late trigger" or insurance cooperative. Stabenow said she is disappointed that the Senate SGR provision will be a patch and not a fix but that the committee simply is unable to find the funds to repeal the SGR. The Senator specifically mentioned primary care and referenced care coordination and bundled payment. Stabenow said she expects to bill, but not a markup, in July. Staff spoke with her legislative assistant who is eager to meet to discuss our proposal for modernizing primary care GME.

AAFP hosted a health care event for the **New Democrat Coalition**, a group of moderate “pro-growth” Democrats in the House. Congressman **Joe Crowley (D-NY)**, who attended the event, was recently elected chair of the New Democrats. Also attending were **Reps. Allyson Schwartz (PA), Kurt Schrader (OR), Jason Altmire (Pa) and Ron Kind (WI)**.

Much discussion centered on the public plan option. Altmire suggested that there will be a provision in the House bill but that he believes a “late trigger” or insurance cooperative will be included in the final package. He believes the House bill will be the most liberal of the health reform packages (compared with Senate HELP and Finance). Altmire also said he thinks provisions to address malpractice should be part of the conversation. Rep. Schrader spoke about the proposed increase in residency slots and agreed that the increase and redistribution of slots should be directed to specialties in which there is a demonstrated need.

GR staff attended a health care event for **Rep. Chris Van Hollen (D-MD)**, who serves on the House Ways and Means Committee and is Chair of the Democratic Congressional Campaign Committee (DCCC). Democrats on the Committee met later that same day for seven hours to discuss health care reform. He talked about House procedures that allowed them to “catch up” with the Senate and suggested that the competition between the two chambers and the various committees was good for moving the process. Van Hollen remains optimistic that the House will move a bill before the recess, but that he does not know how the Senate will fare. There was wide agreement around the table that the House provisions rebasing the SGR were welcome and preferred to the Senate’s temporary fix. ACS and the Thoracic Surgeons acknowledged the need for primary care workforce improvements but pointed out that they too face shortages. Staff reminded Rep. Van Hollen that Dr. Epperly had testified favorably about the Tri-Committee outline and thanked the House for its focus on primary care.

GR staff attended a health care event for **Rep. John Dingell (D-MI)**, who serves on the Health Subcommittee of the House Energy and Commerce Committee and is Charman Emeritus of the full committee. Rep. Dingell, the senior Member of the House, has long been a champion of health reform. Rep. Dingell spoke briefly about the reform efforts in the House and said he was confident they would have a bill introduced before the August recess. He said a public plan option would be included in the bill.

GR staff pointed out that AAFP is on record as supporting a public plan that includes specific provisions and thanked the Congressman for his support of primary care. The Congressman said that primary care would be helped in the legislation and that he was hopeful any increases in primary care reimbursement would not come at the expense of other specialties. In fact, Dingell said that he was opposed to doing this under the budget neutrality rules. Dingell did say that it would be very difficult to find a way to pay for all the proposed reforms and that this would be a major sticking point going forward.

## **5. GRASSROOTS MOBILIZED IN SUPPORT OF HEALTH CARE REFORM**

This week, the AAFP asked Key Contacts and members of AAFP Connect for Reform to [call their Senators on the HELP Committee](#) and urge them to support the *Affordable Health Choices Act*. While we are unable to track the actual number of calls placed, we are encouraged by the feedback we have received so far.

The AAFP also launched its new [Grassroots Toolkit](#). The toolkit is interactive and will help train Academy members to become effective advocates for family medicine. The toolkit was featured in this week’s AAFP Products and Services newsletter, among other promotional activities.

## **6. COLLINS NAMED TO LEAD NATIONAL INSTITUTES OF HEALTH**

On July 8, President Barack Obama announced that he intends to nominate Francis S. Collins, MD, PhD, the former head the Human Genome Project, to the be director of the National Institutes of Health.