

July 17, 2009

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NEXT WEEK IN WASHINGTON...

- * House Energy & Commerce considers HR 3200 on July 20, 21, 22
- * House Ways & Means expected to continue consideration of HR 3200
- * House Small Business Committee holds HIT hearing on July 23
- * Senate Finance Committee may begin debate on health reform.

1. HEALTH REFORM ADVANCES IN SENATE AND HOUSE

The Senate Health, Education, Labor and Pensions Committee on July 15 voted 13-10 on party lines to approve its \$611 billion health care reform legislation *The Affordable Health Choices Act*. The HELP Committee took four weeks to finish work on the bill. The measure will be combined with the bill to be produced by the Finance Committee. Senate Majority Leader Harry Reid (D-NV) hopes to put health reform on the floor the week after next and to pass it before the four-week August recess. It will be difficult to keep to that time line.

In the House of Representatives, Rep. John Dingell (D-MI) introduced *America's Affordable Health Choices Act* (HR 3200) on July 14. Three committees of the House have jurisdiction over the bill which exceeds 1000 pages. The committees will begin consideration of the legislation on July 16 and will complete consideration by the end of the following week. The House is scheduled to take up the bill beginning on July 29 if there is no delay. On July 15, the American Academy of Family Physicians and the Academic Family Medicine Advocacy Alliance wrote to the House of Representatives in support of HR 3200, *America's Affordable Health Choices Act of 2009*. Summary of the bill and the AAFP letter are attached.

2. HOUSE BILL INCREASES TITLE VII SPENDING IN FY 2010

On July 17, the full House Appropriations Committee will begin consideration of the spending bill for fiscal year 2010. The bill provides \$56.4 million as requested by President Obama's budget, for the Title VII Primary Care Medicine and Dentistry program in FY 2010 which is an increase of 16.5 percent above the comparable FY 2009 level. Appropriations Chairman Dave Obey (D-WI) called for Title VII increases to build the capacity of the health care system.

3. BENJAMIN TO BE “AMERICA’S FAMILY PHYSICIAN”

On July 13, President Barack Obama announced his intent to nominate Regina M. Benjamin, MD, MBA, as Surgeon General, Department of Health and Human Services. Dr. Benjamin is Founder and CEO of the Bayou La Batre Rural Health Clinic in Alabama. She is the Immediate Past-Chair of the Federation of State Medical Boards of the United States, and served as Associate Dean for Rural Health at the University of South Alabama College of Medicine. In 2002, she became President of the Medical Association of the State of Alabama, making her the first African American woman to be president of a State Medical Society. Dr. Benjamin holds a BS in Chemistry from Xavier University, New Orleans. She was in the 2nd class at Morehouse School of Medicine and received her MD degree from the University of Alabama, Birmingham, and an MBA from Tulane University. She completed her residency in family medicine at the Medical Center of Central Georgia. Dr. Benjamin was elected to the AMA Board of Trustees in 1995, making her the first physician under age 40 and the first African-American woman to be elected. Dr. Benjamin is also a recent recipient of the MacArthur Genius Award.

4. SENATE HOLDS HEARING ON COMPETITION IN HEALTH CARE MARKETPLACE

On Thursday, July 16, the Senate Committee on Commerce, Science, and Transportation’s Consumer Protection, Product Safety, and Insurance Subcommittee held a hearing on Competition in the Health Care Marketplace. Committee Chairman Senator John Rockefeller (D-WV) called confronting soaring health costs the starting point for health reform. He commended the FTC and said that it needs to be more aggressive with doctors, hospitals, pharmaceutical manufacturers and medical suppliers who manipulate the market. Senator Rockefeller pointed out that the Justice Department has been lax over the last eight years and urged that it must reengage in policing anticompetitive practices by insurance companies.

5. AAFP GRASSROOTS WEIGHS IN WITH CONGRESS AND COMMUNITIES

This week the AAFP sent two action emails to Key Contacts and members of AAFP Connect for Reform (C4R). On Monday the AAFP asked Key Contacts and C4R members in districts of Democratic members of the House Ways and Means Committee to call their Representative and urge him/her to contact Chairman Rangel (D-NY) in support of increasing payments to primary care physicians by at least 10 percent. In Wednesday’s regularly scheduled email, the AAFP asked C4R members to write a letter to the editor of their local paper in support of Senate HELP Committee legislation, the *Affordable Health Choices Act*.

6. FamMedPAC RAISING AAFP PROFILE

FamMedPAC continues to support health care events for key decision makers in Congress. Events this week allowed staff an opportunity to discuss provisions of the health reform legislation in the House and Senate. Staff attended the following physician events:

- **Rep. John Shadegg (R-AZ)**, a member of the House Energy and Commerce Health Subcommittee and the Republican Health Care Task Force. Rep. Shadegg emphasized the Republican opposition to the legislation before the Energy and Commerce Committee, saying he felt Republicans would do everything in their power to modify the bill, and to “kill” the bill if their amendments were not accepted. He believes it will pass in committee, but is uncertain about its prospects for passage in the House. He stressed that he was for health care reform and that the Republicans should have fixed the system when they were in charge. He acknowledged that primary care was the “favored child” in health care reform.
- **Rep. Bill Pascrell, (D-NJ)** a member of the Ways and Means Health Subcommittee. Rep. Pascrell has engaged in the health reform debate brought his chief of staff and legislative assistant with him. Rep. Pascrell said the W/M Committee believes that Mayo and Cleveland Clinics are high quality low cost models that should be emulated. He said that there would

be refinements to the health reform bill before and after the markup. He is disappointed that malpractice issue cannot be addressed in this bill.

- **Rep. Jim Matheson (D-UT)**, who serves on the House Energy and Commerce Committee's Health Subcommittee. He is also a member of the Blue Dog Democrats, a coalition of fiscally-conservative Democrats, who are emerging as a key voting block on health reform. The Blue Dogs met with President Obama this week, and he is soliciting their ideas. The Blue Dogs are concerned about the public plan's link to Medicare rates for 3 years; geographic disparities; lack of budget neutrality; and the Energy and Commerce bill using 400 percent of poverty for Medicaid compared with 300 percent in Senate HELP Committee bill. The Blue Dogs like the idea of a co-op for the public plan. Rep. Matheson believes the final bill will be a melding of the Senate Finance Committee bill, the White House agreements with stakeholders (e.g, PHRMA, hospitals). He is aware that the Finance Committee's bill has only a 1-year "fix" for the SGR and believes that fixing the SGR permanently should be a bottom line for physicians.
- **House Ways and Means Health Subcommittee Chairman Pete Stark (D-CA)**. The chairman acknowledged that mark up in the Ways and Means committee would begin this week but was not sure how long it would take. Each House committee (Education and Labor, Energy and Commerce, Ways and Means) will markup the sections within its jurisdiction. The bill will then be combined by the committee chairs and sent to Rules. He expects the Republicans to focus their criticism on the total cost of the legislation, including the forgiving of the past SGR debt. He asked for help from the physician community in pointing out that this is essential to reforming the Medicare physician payment system. He also expects to need our help in highlighting the delivery system reform measures included in the bill. The public plan option will be voluntary; i.e., physicians will not be required nor enticed to participate. The bill will not increase the number of residency slots in part because that would increase the cost of the bill. It will address reallocation with an emphasis on primary care. The Chairman believes it is possible that the House will pass a bill before August recess.

7. CMS SUSPENDS ALASKA MEDICAID ENROLLMENT

The Centers for Medicare and Medicaid Services suspended enrollment in Alaska's Medicaid programs this week, citing concerns that the program was failing to "protect the health and welfare of the recipients of services." According to the CMS review—requested by the Alaska Department of Health and Social Services due to an acute shortage of nurses—between 2006 and 2009, 27 enrollees died before receiving an initial health assessment and another 227 died waiting for a reassessment. The state was found not to be in compliance with the requirements for six waiver programs. The enrollment moratorium will be in place until the state submits an improvement plan. It is unknown how long the moratorium will last and current estimates figure that 1,000 Alaskans will be affected.

8. WV GOVERNOR APPOINTS TWO FAMILY PHYSICIANS TO HEALTH REFORM PANEL

West Virginia Governor Joe Manchin (D) announced his initial appointments to the Governor's Office of Health Enhancement and Lifestyles Planning (GO-HELP) Advisory Council. Two family physicians were among the public members appointed on Wednesday, July 1st. David Avery, MD will represent the West Virginia AFP and Steve Sebert, MD will represent the West Virginia Medical Association. Among the Advisory Council's tasks is advising GO-HELP on its reform initiatives, particularly the medical home pilot programs.

9. WISCONSIN GOVERNOR SIGNS MEDICAL HOME LEGISLATION

Wisconsin Governor Jim Doyle (D) signed a state appropriations bill containing a medical home pilot program provision on June 29. The Wisconsin AFP played a key role in recommending and developing the provision. The language directs the Wisconsin Department of Health and Family Services (DHFS) to develop a proposal to increase payment to providers in the medical

assistance program (Medicaid) that are NCQA-certified patient-centered medical homes or that conform to standards developed by the Secretary of WI DHFS. The Secretary is directed to follow the NCQA model in development of those standards. The Department must set payment levels to encourage providers to become a PCMH. That payment will be supplemented by a to-be-determined monthly per-patient care coordination fee.