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NEXT WEEK IN WASHINGTON...

- The bipartisan group of senators on the Finance Committee will continue negotiations on a bipartisan health reform bill.
- The House Energy and Commerce Committee may continue deliberations on HR 3200, the House's version or the House of Representatives may take up the bill without Committee action.

1. HEALTH REFORM EFFORT STALLS IN CONGRESS

Health care reform stalled this week despite the efforts of all key players in Congress and the Administration. After members of the Ways and Means and Education and Labor Committees took only a day to pass their versions of the *America's Affordable Health Choices Act* (HR 3200), Energy and Commerce Committee Chairman Rep. Henry Waxman (D-CA) was forced to postpone his committee's markup in an effort to appease the fiscally conservative Blue Dog Democrats on his panel. House leaders were indicating that no broad agreement had been reached, except around the notion of a federal board that would make coverage and payment decisions for Medicare and Medicaid.

The Democratic leaders in the House have two options: They could bypass the Energy and Commerce Committee altogether and take the bill as amended by the other two committees and present it on the floor of the House for debate and approval. Or the leaders could simply allow the committee to continue working to produce a bill for the House when it returns in September.

The leaders have called for a meeting of all Democratic House members late on Monday, July 27 to review all of the provisions of the bill and determine if the consensus is to vote on the bill before the scheduled recess on Friday, July 31.

Senate Finance Committee Chairman Max Baucus (D-MT) and Majority Leader Harry Reid (D-NV) were slated to meet with President Obama on Friday on health care. However, Reid already has said the Senate will not meet its self-imposed deadline to pass legislation before the Senate recesses on August 7.

In his prime time news conference on Wednesday, the President turned his focus toward the American public in effort to encourage support for reform. In a subtle shift, he directed more comments toward the insurance industry, while praising primary care doctors and the medical team. Obama also softened his comments about the August deadline for both chambers and began pressing legislators to pass a "health insurance reform" bill by year's end.

2. AAFP TESTIFIES ON HEALTH INFORMATION TECHNOLOGY

Sterling Ransone, Jr, MD, a member of AAFP's Commission on Governmental Advocacy, testified before the House Small Business Subcommittee on Finance and Tax on Thursday. Dr. Ransone indicated AAFP's support for the *Small Business Health Information Technology Financing Act* (HR 3014), which would allow physicians to secure loans through commercial vendors to purchase EHR systems, along with a one to three year deferral period to pay back the loan. Dr. Ransone stressed how the up-front capital to buy HIT would be essential for solo, small and medium-sized practices. His comments and replies to questions posed by the committee may be found on YouTube, where the committee posts its hearings at:

http://www.youtube.com/view_play_list?p=C0F4E71C43403C03

3. HOUSE WOULD INCREASE TITLE VII FUNDING IN FY 2010

On Friday, July 24, the passed the fiscal year 2010 appropriations bill for health, labor and education programs on a vote of 264 to 153. The FY 2010 Labor-HHS-Education spending bill (HR 3293) appropriates a total of \$730.5 billion which is \$58.9 billion more than enacted for FY 2009 and \$1.9 billion more than President Obama requested. It increases Title VII Health Professions and National Health Service Corps spending over the FY 2009 levels. Attached is a table detailing the funding levels for AAFP's priorities.

All of the Republican amendments offered during the debate on the bill were defeated. Rep. Rob Wittman (R-VA) offered an amendment to reduce the bill's top line by \$803 million. The amendment offered by Rep. Mark Souder (R-IN) sought to strip language that would lift the ban on federal funding for needle exchange programs which is intended to reduce the rate of HIV/AIDS infections. Appropriations Committee Chairman Dave Obey (D-WI) revised the provision to prohibit funds from going to needle exchange programs within 1,000 feet of facilities that serve children, such as schools and parks.

The White House issued a statement on HR 3239 praising the bill and highlighting its support for increased funding for health professions workforce development saying it "is critical to improve access and quality of health care services."

The Senate is expected to take up its version of the HHS spending bill as early as next week in an effort to enact all 12 appropriations bills before the September 30 close of the fiscal year.

4. FamMedPAC

Speculation over the House and Senate health reform legislation dominated discussions at PAC events this week. Most of the other physician specialty societies are expressing lukewarm support, at best, for the reform proposals, with several openly opposed. At most of these events, AAFP was the only primary care group in attendance:

- **Rep. Eric Cantor (R-VA)**, the House Republican Whip. Rep. Cantor made a strong plea for health care providers to oppose the Democratic reform plan. He said that the plan would "stop dead in its tracks" if physicians collectively opposed it. AAFP, along with the College of Surgeons, told Rep. Cantor that they supported the House bill and each had sent letters outlining their support. Rep. Cantor said he thought the SGR provisions were included in the bill to entice physicians to support it, but that, overall, Republicans feel the other sections are not good for physicians or patients. He particularly felt the

AMA had made a bad decision in supporting the bill. Rep. Cantor feels strongly that almost all Republicans will oppose the bill if it reaches the floor, and that many conservative Democrats will also oppose it. Given that, he does not feel the bill would pass in the House.

- **Sen. Mike Enzi (R-WY)**, a member of both the Senate Finance and HELP Committees. Sen. Enzi was not pleased with President Obama's press conference this week. He claimed not to have any indication that the president was willing to compromise on health reform. He refuses to be part of a process that is simply going to find a way to finance the legislation that was approved by the Senate Health, Education, Labor and Pensions Committee and which is similar to the House bill (HR 3200). He wants assurance from Majority Leader Reid that the bill that the Finance Committee produces will be seriously considered by the full Senate; and he wants some sort of signal from the President that it constitutes something he could sign. He emphasized that he is "not trying to slow-walk this thing." The Senator indicated that workforce is one of the 13 discussion items, but stressed he believes it is not contentious. He did not list the rest of the items, but did mention that he wanted something included on liability reform. On Medicaid, he wants Medicaid eligibles to be able to opt out and select a private insurance option, as long as it is not more expensive.
- **Rep. Debbie Wasserman Schultz (D-FL)**, who serves on the House Appropriations Committee. Speculation on the Blue Dog-White House deal on health care reform dominated the discussion. She said that rural Representatives want to cut Medicare payments to her Miami-area district in order to raise their payments, which she firmly opposes. Staff thanked her for the increase in Title VII Primary Care Medicine Training in the FY 2010 appropriations bill. Her Chief of Staff thought that family physicians would do very well under any bill that Congress considers.
- **Rep. Charlie Gonzalez (D-TX)**, who serves on the Health Subcommittee of the House Energy and Commerce Committee. Several of the other specialty representatives in attendance expressed opposition to the contents of the reform bill and the speed at which it was moving. AAFP was the only group to state that we supported the bill (with some conditions). The neurosurgeons told the Congressman they opposed the bill and many others agreed for reasons such as concern that it amounts to a government takeover of health care; the bill is moving along too quickly; the bill's unforeseen consequences; and the penalty on employers who do not provide health insurance. Representatives of the physician groups mentioned that while primary care was in need of some attention, their specialties had more severe shortages. Rep. Gonzalez said that he felt it was necessary to fix the problem now, that people with health insurance did not truly understand what it was like not to have coverage; that any major systemic change would create unhappiness; and that being a Member of Congress meant one had to make hard decisions. Rep. Gonzalez said he felt Speaker Pelosi will get the bill to pass the House by the recess, which begins after July 31. Finally, a specialty representative brought up the proposed Medicare rule and said that organization was looking for co-signers on a Congressional letter asking to block it.

5. GRASSROOTS AND KEY CONTACTS WORK ON THE HOUSE MEMBERS

This week's Connect for Reform email and blog post contained a message from Dr. Paul Grundy, President of the Patient-Centered Primary Care Collaborative and Director of Global Health Transformation for IBM, urging AAFP members to call their Representatives in support of the primary care provisions in *America's Affordable Health Choices Act* (HR 3200).

AAFP Key Contacts for House Blue Dog Democrats were asked to contact their Representative about the need for health care reform. Work on the bill was at a standstill as these moderate Democrats pushed for the bill to be recast to provide greater cost savings, fewer mandates on small businesses and a weakened government-run insurance plan.

The AAFP also asked Key Contacts for Representatives on the House Committee on Ways and Means to contact their legislator about his/her committee vote on HR 3200. Key Contacts were asked to thank their Representative if they voted in favor of the legislation and ask for future support from those legislators who voted against the bill.

6. ISSUE BRIEF: “MedPAC on Steroids”

For several years, Congressional legislators have become increasingly frustrated with the inability of the federal government to restrain health care costs that are growing faster than inflation. On May 20, Senator Jay Rockefeller (D-WV) introduced the *Medicare Payment Advisory Commission (MedPAC) Reform Act* (S. 1110), which would reshape the current Medicare Payment Advisory Commission to become a mechanism for imposing such restraint. His proposal, which has taken several forms, is often dubbed “MedPAC on steroids,” or “SuperMedPAC,” or finally, “MedBRAC.”

The final nickname is a reflection of the fact that the proposal is modeled after the Base Realignment and Closure (BRAC) Act, in which a group of experts makes recommendations on which military bases should be closed. Congress can vote on the recommendations, but only *en bloc* with no amendments. Similarly, Sen. Rockefeller’s bill would have the experts at MedPAC recommend payments for providers and determinations of which services and procedures Medicare would pay for. Congress could vote the whole list of recommendations either up or down without amendment. The goal is to isolate coverage and payment decisions from the political process so that the federal government can reduce payments and drop procedures, treatment and services from Medicare.

The underlying theory is that Congress is incapable of making decisions that will be opposed by an interest group. The President has spoken favorably of the proposal, and the Director of the Office of Management and Budget, Dr. Peter Orzag, has offered a version called the Independent Medicare Advisory Commission (IMAC). The Blue Dog Democrats insisted that health reform legislation include a mechanism like this one as a condition for their support of the bill.

However, some legislators like Rep. Pete Stark (D-CA), who chairs the Health Subcommittee of the House Ways and Means Committee, see the proposal as an abdication of Congressional responsibility. And several physician organizations, especially the surgical groups, have announced that they would oppose any legislation (even if it included a fix for the physician payment formula) that established a cost-restraining mechanism like this. The American Medical Association opposes the concept, but has not suggested that it would withdraw its support for HR 3200. The American College of Physicians, like AAFP, will not take a position until the normal review processes within each organization have had a chance to examine the legislation. AAFP’s Commission on Governmental Advocacy’s Executive Committee will take it up next week in order to make a recommendation to the Board Chair.

7. FRIENDS OF FAMILY MEDICINE LEAD ORGANIZATION OF STATE LEGISLATORS

The 2009 Legislative Summit of the National Conference of State Legislatures (NCSL) wrapped up on Friday, July 24. Georgia Senator Don Balfour (R) was installed as President, Massachusetts Senator Richard T. Moore (D) as President-Elect and Kansas Representative Melvin Neufeld (R) as Vice President.

Sen. Moore, an attendee and speaker at the 2007 AAFP State Legislative Conference, chairs the Joint Health Care Finance Committee of the Massachusetts General Court and is co-chair of NCSL's Health Information Technology Champions project.

Rep. Neufeld, a friend of family medicine and a champion of rural health issues, received the Kansas Academy of Family Physicians President's Award in June 2008. He will serve as President of NCSL during his 2011-2012 term.

Table 1
Federal Spending on Key AAFP Priorities
FY 2010 Presidential Budget Request and House-Passed Appropriations Bill

(\$ Amounts in thousands)	FY 2008	FY 2009 Omnibus	FY 2010 Request	FY 2010 House
Health Professions - Training for Diversity:				
Centers of excellence	12,773	20,602	24,602	24,602
Health careers opportunity program	9,825	19,133	22,133	22,133
Faculty loan repayment	1,266	1,266	1,266	1,266
Scholarships for disadvantaged students	45,842	45,842	52,842	52,842
<i>Subtotal, Training for Diversity</i>	<i>69,706</i>	<i>86,843</i>	<i>100,843</i>	<i>100,843</i>
Training in Primary Care Medicine & Dentistry	47,998	48,425	56,425	56,425
Interdisciplinary Community-Based Linkages:				
Area health education centers	28,180	32,540	32,540	34,150
Allied health and other disciplines	8,803	13,890	23,890	23,890
Geriatric programs	30,997	30,997	41,997	41,997
<i>Subtotal, Interdisciplinary Community Linkages</i>	<i>67,980</i>	<i>77,427</i>	<i>98,427</i>	<i>100,037</i>
Public Health Workforce Development	8,273	9,000	9,000	9,000
TITLE VII TOTAL	193,957	278,120	264,695	266,305
Rural Health Program	180,000	169,000	124,703	130,152
National Health Service Corps *	123,477	135,000	169,000	141,850
Agency for Healthcare Research and Quality (AHRQ)*	334,564	372,053	314,053	309,053
CDC Chronic Disease & Health Promotion	833,827	882,000	896,000	910,812

* Received funds in the *American Reinvestment & Recovery Act*