

July 31, 2009

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### NEXT WEEK IN WASHINGTON...

- \* The full Senate may debate the FY 2010 HHS spending bill.
- \* The House is in recess and will reconvene on September 8.

## 1. HEALTH REFORM

The House Energy and Commerce continued its debate on the health reform bill (HR 3200) in fits and starts as Committee Chair Rep. Henry Waxman (D-CA) and House Speaker Rep. Nancy Pelosi (D-CA) tried to bridge the divide between the concerns of the fiscally conservative Blue Dog Democrats and the liberal Progressive Caucus. After a number of false alarms, Chairman Waxman announced that he, the Blue Dogs and more liberal members had come to an agreement. The proposal will assuage Blue Dog concerns about cost but allow liberal Democrats to find subsidies for families to purchase insurance. One major change that AAFP requested was the public plan option was separated from Medicare payment schedule and the Centers for Medicare and Medicaid Services (CMS) will be able to negotiate rates from the beginning of the public plan. This will assure additional bargaining leverage for providers, since they will not be locked into Medicare rates, as originally proposed, for 3 years.

The committee's deliberations are scheduled to be completed today so that members could leave for the long-scheduled August recess. A vote on the bill in the House of Representatives likely will occur in September.

On Thursday, July 30, AAFP Board Chair, Dr. Jim King, participated in the Senate Majority Leader's press conference to urge Congress to act on health care reform as soon as possible. In addition, he announced the release of a video of several family physicians encouraging passage of health reform. The video is at [www.healhealthcarenow.org](http://www.healhealthcarenow.org).

## 2. AAFP, AOA, PCPCC LEADERS MEET HOUSE BLUE DOGS ON HEALTH REFORM

AAFP Board Chair, Jim King, PCPCC President Paul Grundy, MD and Larry Wickless, DO, the President of the AOA were on Capitol Hill on July 29 to meet with the fiscally-conservative Blue Dog Democrats on health care reform. Several of the Blue Dogs had stymied House progress on the *America's Affordable Health Choices Act* (HR 3200). AAFP sought to highlight the need for increased support for primary care and the Patient Centered Medical Home.

Rep. Zach Space (D-OH) was one of the Energy and Commerce Committee Blue Dogs who made a deal to wrap up the committee consideration or markup of the bill before the recess and produce a budget neutral measure with a voluntary public plan which does not use Medicare payment rates.

The legislative health aide to Rep. Allen Boyd (D-FL) acknowledged the value of PCMH and described the need to bend the health care cost curve. Dr. Grundy told him about the IBM experience and other PCMH models finding lower costs in primary care based systems.

Staff to Rep. Parker Griffith, MD (D-AL) said that the Representative was opposed to any public plan in the bill. When asked about how he might view the exchange or co-op alternatives, she reiterated that he opposed a public plan. Rep. Griffith feels strongly that medicine will be well served by a competitive insurance market so that physicians are not limited as they are by Medicare.

The legislative director to Rep. Collin Peterson (D-MN) noted that the Representative is “skeptical about PCMH.” She thinks it is too costly and will impose a government bureaucracy to determine who is eligible. She thinks that adding a payment code for care management would be better and said that hiring a nurse “health coach” would be even better. She recognizes that there are physician shortages and thinks that we should support scholarships and loans and a fair payment structures.

The legislative aide to Rep. Harry Mitchell (D-AZ) was receptive to the group on primary care access and workforce issues. She indicated that the Representative asked to be briefed on the “medical home” concept a few weeks ago and has been a strong supporter ever since. He is concerned that if health reform is enacted that there will not be enough primary care physicians to care for the population.

The staff to Rep. Marion Berry (D-AR) indicated he likes the House bill because it helps underserved areas, but he is sensitive to workforce issues and wants an increase in residency slots. He does not want to risk “coverage” without “care.” He would like to reduce or eliminate the geographic payment disparity under Medicare.

Rep. Dennis Cardoza (D-CA) sits on the Rules committee which will be the next stop for the House bill after it clears Energy and Commerce. Rep. Cardoza said his wife, Kathleen McLoughlin, is a family physician and AAFP member. He emphasized the importance of “bending the cost curve” as a goal for any viable legislation. GME funding issues have plagued at least one residency program in his district, and there are plans to open in the district a medical school emphasizing primary care.

### **3. FAMMEDPAC TAKES OUR MESSAGE TO BLUE DOGS**

AAFP Board Chair Jim King attended a fundraising lunch for Rep. John Barrow (D-GA), a Blue Dog and member of the Health Subcommittee of the House Energy and Commerce Committee on July 29. Rep. Barrow and other Blue Dogs had just met with the Speaker and was able to confirm that a deal had been reached on HR 3200 with Energy and Commerce Blue Dogs, Reps. Mike Ross (D-AR), Bart Gordon (D-TN), Baron Hill (D-IN), and Zach Space (D-OH). However, he and Reps. Charlie Melancon (D-LA) and Jim Matheson (D-UT) remain opposed to the bill at this time. Rep. Barrow expects that the Energy and Commerce Republicans will offer many amendments, but he expects a Committee vote before the House adjourns for the August recess. Dr. King asked Rep. Barrow if the primary care provisions would remain in the bill. Rep. Barrow said they would, but that they would have to be paid for.

### **4. HHS OFFERS RECOVERY ACT FUNDS FOR HEALTH PROFESSIONS TRAINING**

On July 28, HHS Secretary Kathleen Sebelius and HRSA Administrator Mary Wakefield, PhD, RN, announced the distribution of \$200 million for grants, loans, loan repayment, and scholarships to expand the training of health care professionals. The funds are part of the \$500 million provided in the *American Recovery and Reinvestment Act (ARRA)* to address workforce shortages. The National Health Service Corps received \$300 million directly from ARRA. The \$200 million will be directed using a competitive process to the following program areas:

- \$80.2 million for scholarships, loans, and loan repayment awards to students, health professionals, and faculty. \$39 million of which will be targeted to nurses and nurse faculty, \$40 million to disadvantaged students in a wide range of health professions, and \$1.2 million to health professions faculty from disadvantaged backgrounds.
- \$50 million in grants to health professions training programs to purchase equipment needed to expand programs and improve the quality of training.
- \$47.6 million for Title VII, Section 747 to support the training of residents, medical students, physician assistants and dentists.
- \$10.5 million to strengthen the public health workforce.
- \$10.2 million to increase the diversity of the health professions workforce.
- And \$1.5 million to support the efforts of state professional licensing boards in reducing barrier to telemedicine.

#### **5. SENATE HHS SPENDING BILL PASSES COMMITTEE**

The Senate Appropriations Committee passed its version of the fiscal year 2010 Labor-HHS-Education bill (HR 3293) by a vote of 29 to 1 on July 30. The measure provides a total of \$243.4 million for Title VII health professions programs including \$54.4 million for the Title VII, Section 747 grants for training in primary care medicine and dentistry. Although these levels exceed the regular FY 2009 appropriated amounts, they fall below both the President's budget request and amounts called for in the House-passed bill. Once the full Senate has passed HR 3293, a House-Senate conference committee will reconcile these and other differences to produce the final FY 2010 spending bill.