

August 6, 2010

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NEXT WEEK IN WASHINGTON...

* The House will return from recess August 10 to vote on additional federal Medicaid funding.

1. JUDGE, MISSOURI VOTERS PRESENT SETBACKS TO HEALTH REFORM LAW

On Monday, August 2, Federal District Court Judge Henry Hudson rejected an Obama administration motion to dismiss a Virginia lawsuit on the constitutionality of the new health overhaul law. Judge Hudson, who was appointed by former President George W. Bush, wrote that the law pushes the limits of the Constitution's commerce clause in his ruling, which addressed whether the commonwealth had a viable case. The suit is scheduled to proceed with a hearing on October 18.

On Tuesday, August 3, Missouri voters rejected the federal health reform law's individual mandate. Including Missouri, six states now have laws on the books opposing the federal law., including Idaho, Utah, Virginia, Georgia and Louisiana. Missouri's Proposition C, which passed with 71 percent of the vote, establishes a state law that says Missouri cannot force people to pay a penalty or fine if they fail to carry health-insurance coverage. The individual mandate, one of the most controversial components of the *Affordable Care Act*, is seen as critical to expanding coverage.

2. FEDERAL STATE AID PACKAGE WITH MEDICAID MONEY PASSES SENATE

After weeks of delays, the Senate voted Thursday, August 5 on a \$26.1 billion financial aid package to states that includes \$16.1 billion in additional federal Medicaid (FMAP) funding through June 2011. The Senate passed the bill (HR 1586) by a vote of 61 to 39. Under the legislation, states would receive the added Medicaid funds on a sliding scale over a six-month period beginning in January 2011.

House Speaker Nancy Pelosi (D-CA) announced that she will bring the House – which currently is in recess through September 13 – back into session next week for a floor discussion and to vote on the package early next week.

3. SENATE APPROPRIATIONS COMMITTEE FILES FY 2011 BILL

On August 2, Senate Labor-HHS-Education Appropriations Subcommittee Chairman Tom Harkin (D-IA) introduced the Committee-passed spending bill for fiscal year 2010 (S 3686). If enacted, the Senate bill would increase Title VII programs by more than 40 percent to \$356 million in FY 2011. Within Title VII, the primary care medicine programs would get a substantial funding increase to \$90 million (131 percent increase over FY 2010). The following chart details the spending levels approved by the Senate Committee for key AAFP priority programs.

(\$ Amounts in thousands)	FY 2008	FY 2009	FY 2010	FY 2011 Request	FY 2011 Senate
Health Professions - Training for Diversity:					
Centers of excellence	12,773	20,602	24,602	24,602	24,602
Health careers opportunity program	9,825	19,133	22,133	22,133	22,133
Faculty loan repayment	1,266	1,266	1,266	1,266	6,266
Scholarships for disadvantaged students	45,842	45,842	49,342	49,342	49,342
Training in Primary Care Medicine & Dentistry	47,998	48,425	54,425	54,425	
Primary Care Training & Enhancement 747			38,923		90,000
Training in Dentistry (includes 748 & 340G)			47,919		47,982
Interdisciplinary Community-Based Linkages:					
Area health education centers	28,180	32,540	33,345	33,345	33,345
Allied health and other disciplines **	8,803	13,890	22,390	22,390	10,617
Geriatric programs	30,997	30,997	33,747	33,747	33,747
Workforce Information & Analysis			2,832	8,781	13,781
Public Health Workforce Development	8,273	9,000	9,647	9,668	19,668
Teaching Health Centers Planning 749A					0
Rural Physicians Training Program 749B					5,100
TITLE VII TOTAL	193,957	221,695	254,082	259,699	356,583
Workforce Commission					3,000
Rural Health Programs	180,000	169,000	163,335	130,169	165,096
National Health Service Corps *	123,477	135,000	141,952	168,589	141,420
Agency for Healthcare Research & Quality *	334,564	372,053	335,553	611,000	397,053
AHRQ Primary Care Extension program					0
CDC Chronic Disease & Health Promotion	833,827	882,000	931,292	937,307	931,154

* Funded in ARRA

** Allied health formerly included state dental improvement grants now included under dental training line.

4. HHS, MEDICARE TRUSTEES PROJECT SAVINGS FROM HEALTH REFORM

HHS released a report on August 2 touting an estimated \$575 billion in Medicare savings over the next 10 years generated by the health care overhaul, three months after an independent actuary for the Centers for Medicare and Medicaid Services projected the law would increase federal costs by \$251 billion over the next decade. The report can be found online at <http://www.cms.gov/apps/docs/ACA-Update-Implementing-Medicare-Costs-Savings.pdf>

On August 5, the 2010 Annual Report of the Boards of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds was released and describes the financial projections for the Medicare program as very uncertain. The report, which can be found at <http://www.cms.gov/ReportsTrustFunds/downloads/tr2010.pdf>, makes clear that “substantially improved results for HI and SMI Part B depend in part on the long-range feasibility of lower increases in Medicare payment rates to most categories of health care providers, as mandated by the *Affordable Care Act*.”

5. CHILD NUTRITION BILL PASSED IN SENATE

The Senate passed, by voice vote, a bill (S 3307) that would authorize a \$4.5 billion increase over 10 years for school lunches and other nutrition programs. It also would, for the first time, give the Agriculture Department authority to set nutrition standards for foods sold in vending machines and in a la carte lines in schools.

6. FamMedPAC CALLS ON HOUSE REPUBLICAN LEADERS

FamMedPAC participated in two recent events for House Republican leaders.

- **Rep. Paul Ryan (R-WI)**, the Ranking Member on the House Budget Committee and a member of the Ways and Means Health Subcommittee, serves on the National Commission on Fiscal Responsibility and Reform charged with identifying policies to improve the fiscal situation and achieve sustainability. Rep. Ryan believes “they will come up with spending cuts because they have to; if they don’t, the bond markets will react negatively.” “We won’t recommend any tax increase,” he added.

Rep. Ryan believes the Republicans will take control of the House in 2010 and of the White House in 2012. He believes the new majority will have two years of vigorous oversight to weaken the Obama administration and prepare to pass a fiscally responsible budget and “repeal and replace Obamacare.” When asked about the SGR he focused on the lame-duck session saying essentially, “it depends.”

- **Republican Minority Whip Eric Cantor (VA)** serves on the House Committee on Ways and Means. Rep. Cantor also expressed confidence that the House Republicans would pick up a significant number of seats and recapture the majority the upcoming mid-term elections. On health care, he thinks a Republican House would focus on specific provisions of the new health care law and attempt to roll them back or alter them. He admitted that there is little chance to repeal the law since President Obama will be in the White House and the Republicans will not have the 2/3 majority necessary to overturn a Presidential veto. The provisions he mentioned specifically were the employer mandate to provide insurance or pay a fee, the individual mandate to purchase insurance and the IPAB, which would decide payment rules under Medicare and which Congress would have to disapprove or they would take effect. At a minimum, he is certain Republican Committee Chairs would hold oversight hearings on the new law to examine its true cost and impact on health care.

7. AHQR LAUNCHES WEBSITE PROVIDING MEDICAL HOME RESOURCES

The Agency for Healthcare Research and Quality (AHRQ) recently launched a new website devoted to providing objective information to policymakers and researchers on the medical

home, www.pcmh.ahrq.gov. The site will provide a searchable database of publications and other resources on the medical home and exclusive access to AHRQ-funded white papers.

8. COURT UPHOLDS MAINE LAW PROTECTING PHYSICIANS' PRESCRIPTIONS

The First US Circuit Court of Appeals in Boston upheld the constitutionality of a Maine law restricting medical data companies' access to doctors' prescription information. The law aims at reducing health care costs by taking away the data that drug companies use to identify doctors' drug preferences, choice of brand-name medicines over generics and willingness to prescribe new drugs over older medications. Under the law, physicians can choose to withhold their prescription-writing information from the data-mining companies. Three companies that collect, analyze and sell medical data for use in pharmaceutical companies' marketing programs challenged the law, arguing it violates commercial free speech. According to Maine Attorney General Janet Mills (D), the intent of the law is to protect the privacy of doctors who prescribe medications. To date, 265 doctors opted to prevent the release of their information, but the law has not yet taken effect due to the legal challenge.