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NEXT WEEK IN WASHINGTON...

* Both the House and Senate are in recess until September 8.

1. HEALTH REFORM PASSES ENERGY AND COMMERCE; TALKS CONTINUE IN SENATE; WHITE HOUSE WEIGHS IN

Late Friday evening, August 31, the House Energy and Commerce committee passed HR 3200, the *America's Affordable Health Choices Act*, by a vote of 31 to 28. Blue Dog Democrats Bart Stupak (MI), Jim Matheson (UT), Charlie Melancon (LA), John Barrow (GA), and Rick Boucher (VA) voted "no". The panel was the last to act following the Ways and Means and Education and Labor Committees and was the result of arduous negotiations between Chairman Henry Waxman (D-CA) with some of the members of the fiscally-conservative Blue Dogs. Three key amendments were offered and agreed to by some of the Blue Dogs and members of the Progressive Caucus members so that the bill could be reported.

- The Blue Dog Amendment requires the public plan to negotiate rates with providers (a change from linking this initially to Medicare, which was supported by the AAFP); cuts subsidies to some low-income individuals; increases the small business exemption from the employer responsibility requirement from \$250,000 to \$500,000; allows states to establish not-for-profit cooperative plans that could compete in the Exchange (but retains the public plan option); and requires information to be given to individuals on end-of-life planning, e.g., living wills or powers of attorney. The language specifies that patients are not required to make these plans; need not consent to any medical benefit restrictions, and that this cannot hasten death or promote suicide in any way.
- The first Progressive Caucus amendment is based on achieving savings that can be used to increase subsidies for low-income households. Language includes a drug formulary in the public plan; establishes an accountable care organization pilot program in Medicaid (similar to the one in the Medicare section); and various administrative simplification requirements for health plans.
- The second Progressive Caucus amendment also focuses on savings that must be applied to increasing subsidies. Language includes prior approval of premium increases greater than 150 percent of medical inflation for plans in the Exchange, and allows the Secretary of HHS to negotiate drug prices in Part D.

Another important amendment was offered by Rep. Anna Eshoo (D-CA), which allows biologics manufacturers to have 12 years of exclusive use before generics can be developed.

The major caveat regarding the House health care reform bills are that 1) they must now be reconciled and 2) this work is being done right now by the leadership. As a result, language that was voted on by the committees likely will change.

In the Senate, negotiations continue among the members of the so-called "gang of six," headed by Finance Committee Chairman Max Baucus (D-MT). As of this writing, talks are focusing on the latest way to wring savings from the system and make changes to Medicare by overhauling the Medicare Payment Advisory Commission. Currently, Senators are leaning toward a commission that would make annual recommendations and take effect unless Congress acted. In addition, they reportedly are coming to an agreement around taxing high-cost insurance plans. An announcement early in the week by Sen. Baucus to produce language by September 15 met with immediate resistance and essentially has been withdrawn.

On Wednesday, President Obama continued his push for health care reform outside of Washington but, for the first time, alluded to deciding in the Fall whether to work on bipartisan legislation, or on a bill that would include Democrats, and perhaps only a few Republicans. In response to increasingly fractious Town Hall meetings held by Members of Congress around the country, the White House and Democrats are working on strategies and messages to support health care during the August recess.

The AAFP Government Relations and Communications divisions are developing a single website page that will contain all information regarding health care reform for aafp.org. The goal is to allow for easy access by AAFP members to health care policies, questions and answers, press, etc.

2. AAFP TAKES OUR MESSAGE TO CAPITOL HILL

AAFP staff participated in meetings on Capitol Hill with other members of Health Care for America Now (HCAN), which represents more than 1,000 organizations in 46 states supporting quality, affordable health care. At each meeting, we expressed appreciation for the Medicare payment reforms included in the House bill and for the bill's reauthorization of Title VII providing a trust fund to address the primary care shortage. We also spoke to the value of the PCMH and the problem of medical student debt.

It is clear that opponents of health reform are contacting legislators and their local offices. A caseworker to **Rep. Chris Carney (D-PA)** was confronted by opponents of health care reform in a local county courthouse. Rep. Carney had initially planned five health care town hall meetings in August but may hold only two. Rep. Carney believes that health care reform will be the most momentous vote he will ever cast, and his staff thinks he will support it.

Rep. Harry Mitchell (D-AZ) has a unique perspective on the physician workforce problem, because his wife had to call three doctors to find one who would take Medicare. Rep. Mitchell had a tele-town hall meeting with 9000+ callers and no heckling.

Rep. Melissa Bean (D-IL) recognizes that health care reform must be done now. However, the surtax on \$250,000+ income is a deal breaker in her district which is split 50-50 on reform, but she thinks that the fiscally conservative thing to do is to enact health reform. They have had more than 6,500 constituent contacts about health care.

Freshman **Rep. Larry Kissell (D-NC)** is opposed to universal coverage because nobody wants to pay for illegal aliens. He has not taken a position on the House bill.

Rep. Leonard Boswell (D-IA) highlighted the work of the Geographic Disparity Coalition and the Braley-Kind efforts to correct Medicare disparities. Rep. Boswell cannot support a public plan tied to Medicare because Iowa hospitals will be left to survive on the lowest rates. Less than 0.8 percent of Iowans would be captured by the surtax in the bill. Rep. Boswell believes that this will be the biggest vote of his lifetime.

3. FAMMEDPAC WORK CONTINUES

The PAC has received \$222,340 in donations from 750 AAFP members this year. The average contribution is \$296, slightly above the average for the 2007-2008 election cycle.

The PAC has made \$245,500 in campaign contributions to congressional candidates, with 69 percent going to Democrats. As an industry, health care professional PACs have given 70 percent of their contributions to Democrats so far in 2009.

The PAC sent a contribution for Representative Gene Green (D-TX) to the Texas chapter for a health care event they cosponsored for the Congressman. Rep. Green serves on the Health Subcommittee of the House Energy and Commerce Committee. Dr. David Nino attended on behalf of AAFP and the TAFP.