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NEXT WEEK IN WASHINGTON...

* Both the House and the Senate stand in recess until January.

1. SENATE PASSES HEALTH CARE REFORM BILL CHRISTMAS EVE

With visions of filibusters no longer dancing in their heads, Senators by a party-line vote of 60 to 39 at 7:15 am Christmas Eve passed the *Patient Protection and Affordable Care Act* to expand coverage to 31 million currently uninsured Americans. The Senate debated for 25 days, debate that was wracked with partisan bitterness. Senate Majority Leader Harry Reid (D-NV) had introduced a Manager's Amendment on Saturday, December 19 (changes to the original legislation) and the Senate began procedural votes that day that culminated in passage of the landmark bill. The Manager's Amendment was viewed generally favorably by the Academy and the AAFP sent a letter to the Senate praising many section related to primary care and expressing concern about other issues. The letter is attached to this update.

Since the Senate legislation differs in a number of significant ways from the House bill, the two bills will have to be reconciled through negotiations that already are taking place behind closed doors. A formal conference committee is not anticipated. Predictions range from observers who insist that the House will accept much of the Senate bill to others who foresee a relatively difficult process with the President personally engaged in negotiations. Specifically, potentially controversial issues include a possible substitute for the public option, such as a national exchange, rather than a state-based one; increased subsidies to make coverage more affordable; and methods to pay for the legislation. Deliberations may extend through the month of January and beyond the President's State of the Union address into February.

2. MEDICARE PAYMENTS TO REMAIN UNCHANGED THROUGH FEBRUARY

On December 19, President Obama signed the Defense appropriations bill, which included a two-month reprieve from the anticipated 21 percent cut in Medicare physician payments. CMS has instructed its contractors to hold claims for services paid under the Medicare Physician Fee Schedule (MPFS) for up to the first 10 business days of January (January 1 through January 15) for 2010 dates of service. They anticipate that this will have minimum impact on provider cash flow because, by law, clean electronic claims are not paid any sooner than 14 calendar days after the date of receipt. Meanwhile, all claims for services delivered on or before December 31, 2009, will be processed and paid under normal procedures.

The final Senate health reform bill deleted a temporary SGR provision that would have provided a 0.5 percent update to the Medicare Physician Fee Schedule. Senator Reid acknowledged that physician groups wanted a permanent fix and were opposed to another temporary patch and pledged to deal with the issue in January.

3. GME AMENDMENT NOT INCLUDED IN SENATE REFORM BILL

No provision to expand the number of Medicare-supported graduate medical education (GME) positions was included in the final health reform bill. The proposed amendment, which sought to add 15,000 slots without meaningful preference to primary care, was staunchly supported by the Association of American Medical Colleges (AAMC). AAFP attempted to work out language with the AAMC but was unsuccessful. Ultimately, the Academy opposed the amendment on the basis that it would not have improved – and could have worsened – the primary care physician to overall physician workforce ratio.

The amendment was supported by some academic and professional medical organizations including the American Academy of Pediatrics, the American College of Physicians, the American Osteopathic Association, and the American Medical Association. The American Medical Students Association and COGME joined AAFP in opposition.

The GME Modernization Pilot that was supported by AAFP also was not included in the final Senate bill.

4. STEVEN WALDREN, MD, APPOINTED TO MACPAC

Dr. Steven Waldren, Director of the AAFP's Center for Health Information Technology (CHIT), has been appointed to the Medicaid and Chip Payment and Access Commission (MACPAC).

5. STATE ISSUES

Wisconsin Governor Doyle just released a plan to cut Medicaid spending, which includes a reduction in provider reimbursement rates. For those interested in more detail you are invited to read the following articles: <http://www.fox21online.com/news/wisconsin-lawmakers-wary-medicaid-budget-solution>, <http://www.wpr.org/news/newsheadlines.cfm>

Also in Wisconsin, Governor Doyle vetoed [AB 273](#), which would have expanded scope of practice for podiatrists, including allowing them to (1) diagnose an illness or injury for the state's Department of Veterans Affairs, (2) authorize hunting permits for those with physical disabilities, and (3) provide illness care through contract. The Governor vetoed the measure as requested by the bill sponsor due to a technical error in the language of the bill. The Legislature will rewrite the provision in the bill's companion, [SB 191](#), and vote again on the measure, which Governor Doyle intends to sign.

The Alabama Legislature is preparing to assemble the FY 2011 budget, anticipating a more than \$600 million budget gap. The state's Medicaid Commissioner, Carol Herrmann-Steckel, has suggested limiting Medicaid beneficiaries to five prescriptions per month, restricting eligibility requirements, eliminating services covered and reducing or freezing provider reimbursement rates. Governor Bob Riley (R) will take these recommendations into consideration before submitting his proposed budget to the Legislature on January 12.