

GOVERNMENT AFFAIRS WEEKLY

A Report to the Board of Directors

March 2, 2007

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1. CONGRESS LOOKS AT PHYSICIAN PAYMENT

The Senate Finance Committee convened a hearing Thursday March 1, concerning physician payment. The reason for the hearing was the publication of a Congressionally mandated report by the Medicare Payment Advisory Commission (MedPAC). The MedPAC report concerned alternatives to the sustainable growth rate (SGR) formula used to determine Medicare physician payment.

AAFP submitted written testimony for the hearing (see http://www.aafp.org/online/etc/medialib/aafp_org/documents/policy/fed/congress/estimony/medphyspymtsys07.Par.0001.File.tmp/03012007.pdf). The witnesses included MedPAC Chairman, Glenn Hackbarth; Byron Thames, MD, who represented AARP; Cecil Wilson, MD of the AMA; and Director of the Congressional Budget Office (CBO) Peter Orzag.

Common threads of the hearing were:

- a. Medicare should pay for quality.
- b. Overutilization of health care procedures can be minimized by providing feedback to doctors.
- c. Prescriptions should be based on the comparative effectiveness of the pharmaceuticals prescribed.
- d. Medicare should increase its payment for primary care and coordinated care.
- e. The government should determine how to invest in HIT.

The House Ways and Means Subcommittee held a similar hearing on the same day. The only witness was MedPAC Chairman, Glenn Hackbarth.

2. HEALTH INFORMATION TECHNOLOGY

David Kibbe and Government Relations staff attended a briefing on March 1, sponsored by Rep. Patrick Kennedy (D-RI), at which he announced the introduction of the *Personalized Health Information Act*. The AAFP has written a letter in support of the legislation. Rep. Kennedy was joined by Rep. David Reichert (R-WA) as co-sponsor. Rep. Reichert has the Microsoft company in his Seattle district.

The legislation would require the Secretary of Health and Human Services to establish a program to “provide financial incentives for the establishment of interactive personal health records for Medicare beneficiaries and other patients.”

Dr. Kibbe addressed the participants at the briefing, along with representatives from the American Heart Association; Microsoft; Medem; and Allscripts. In addition, representatives of LSU Healthcare Network and BCBS of Louisiana described the electronic systems that both the LSU Network and LA BCBS had put in place following the hurricane.

3. CONGRESS ASKS HHS ABOUT TITLE VII

Health and Human Services Secretary Mike Leavitt testified before the House Labor-HHS-Education Appropriations Subcommittee on February 27. He discussed the President’s budget request for fiscal year 2008. Rep. Mike Simpson (R-ID) expressed concerns about the elimination of the Training in Primary Care Medicine and Dentistry program. Dr. David Weldon (R-FL) expressed his continuing concern that defensive medicine, not liability premiums, is a source of medical cost increases.

4. SCHIP SHORTFALL TO BE ADDRESSED IN WAR SPENDING BILL

Rep. David Obey (D-WI), who chairs the House Appropriations Committee, announced that the Emergency Supplemental Appropriations bill to fund military expenditures in Iraq and Afghanistan will include \$750 million for FY 2007 shortfalls in the State Children’s Health Insurance Program (SCHIP). The Committee aims to debate the bill on March 7 and to bring it to the full House the following week. It will be the focus of fierce debates about the conflict in Iraq.

5. AAFP WORKING TO INCREASE PUBLIC HEALTH BUDGET FUNDS

The House Budget Committee will debate a Budget Resolution setting spending limits for FY 2008 during the week of March 12. The AAFP was one of over 400 signers of a letter to federal legislators calling for an additional \$4 billion (a 7.8 percent increase over FY07) in the budget for what Congress calls “Function 550,” which is the federal budget category that includes broad spending guidance for public health programs. The Action Alert on federal public health funding distributed to AAFP members generated 838 messages as of noon on March 1.

Government Relations staff have met with more than a dozen legislators and staff on the House Budget Committee to make the case for additional funding for public health programs.

6. HRSA ADMINISTRATOR TESTIFIES

On February 28, Dr. Betty Duke, Administrator of the Health Resources and Services Administration (HRSA), testified before the House Labor-HHS-Education Appropriations Subcommittee. Both Reps. Betty McCollum (D-MN) and Tim Ryan (D-OH) echoed sentiments voiced by Rep. Jesse Jackson, Jr. (D-IL), who questioned the administration's lack of support for minority health programs. Rep. McCollum asked Dr. Duke to specify what other federal funding sources were supporting the initiatives of Title VII. Dr. Duke agreed that Title VII has done a "marvelous job," but "the programs are relatively small" and are not effective in enhancing health care services for minorities or others.

7. STATE GOVERNMENT RELATIONS

Collaborating with Practice Support and Quality, government relations provided a one-hour web seminar to constituent chapters and chapter leaders on the Patient-Centered Medical Home. Speaking on this issue were Bruce Bagley, MD, John Swanson and Kevin Burke. A brief survey captured some of the work chapters are engaged at the state level on medical home concepts. The seminar was timely and well received. Opportunities to work with states at the executive level are opening including Gov. Schwarzenegger (R) through the California AFP. The seminar will be accessible in its entirety on the web through May 29.

Chapters have been provided with additional information as restrictive billing legislation for pathologists has re-emerged this session. Some form of the legislation has been filed in Arkansas, California, Georgia, Idaho, Kansas, Maryland, Missouri, Nebraska, Tennessee, Texas, and Utah.

The Florida AFP sent members a Speak-Out alert for increased Medicaid reimbursement while Colorado asked their members to use Speak Out to support a brain injury prevention bill. Both bills are moving through the legislature.