



GOVERNMENT AFFAIRS WEEKLY

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1. BILL TO RENEW CHILDREN'S HEALTH INSURANCE MAY ADD PHYSICIAN PAYMENT

On July 9, Congress is set to return from a week-long break for Independence Day and high on the list of items that will receive their attention is reauthorization of the States' Children's Health Insurance Program (SCHIP). The House Ways and Means Health Subcommittee and the House Energy and Commerce Committee will consider a measure to be introduced early next week to reauthorize and expand the program. The cost of the program would be \$50 billion over five years, and the committees will consider ways to offset those costs.

In addition, the House committees will add a provision to repeal the Sustainable Growth Rate (SGR) formula that determines the Medicare payment rate for physicians. In its place, the committees will propose stipulating a minimum payment update for 2008 and 2009 of 0.5 percent increases each year. This provision adds some \$30 billion to the cost of the SCHIP bill.

The bill creates a mechanism for payment in the following years that would see a formula based on 6 categories of CPT codes, each of which would have separate expenditure targets (with those codes for primary care and preventive services being allowed an expenditure target that is 3 percent greater than GDP). The House proposal would also repeal the bonus payments in 2008 for quality reporting.

AAFP has written a letter (a copy of which is on the Federal Advocacy web page) offering qualified support for the measure.

The Senate Finance Committee also may begin debate on their version of the SCHIP reauthorization, but they are not likely to include a provision to deal with the physician payment. The Finance Committee members prefer to consider the payment issue separately later in the year.

2. SENATE AGING CALLS FOR DISCLOSURE OF PhRMA MARKETING TO PHYSICIANS

On June 27, the Senate Special Committee on Aging held a hearing provocatively titled "Paid to Prescribe? – Exploring the Relationship between Doctors and the Drug Industry." Sen. Herb Kohl (D-WI) chaired the hearing, which Sens. Tom Carper (D-DE) and Claire McCaskill (D-MO) also attended. Senators Kohl and McCaskill called for a national registry of gifts and payments from pharmaceutical companies to physicians.

The first panel of witnesses was highly critical of physicians and the pharmaceutical industry. It included Jerome Kassirer, MD, a professor at Tufts University School of Medicine and former

editor-in-chief of the *New England Journal of Medicine*; Greg Rosenthal, MD, a retinal eye specialist and founding member, Physicians for Clinical Responsibility; Peter Lurie, MD, MPH, the deputy director, Public Citizens' Health Research Group; and Sharon Treat, a member of the Maine State House of Representatives, and executive director, National Legislative Association on Prescription Drug Prices.

Robert Sade, the chairman, Council on Ethical and Judicial Affairs, American Medical Association and Marjorie Powell, a senior assistant to the general counsel at PhRMA made up the second panel of witnesses. Both Dr. Sade and Ms. Powell highlighted enforceable ethical standards and FDA regulations now in place, but the Committee seemed unmoved.

Chairman Kohl cited the estimated \$19 billion spent annually on marketing to physicians in the form of gifts, lunches, drug samples and sponsorship of education programs which he believes can compromise physicians' medical judgment by putting their financial interest ahead of the welfare of their patients.

3. AAFP CONTINUES TO BUILD GRASSROOTS SUPPORT

- As of July 6, we have at least one AAFP Key Contact for **385** of the 536 federal legislators. That is, 71 percent of the U.S. Senators and Representatives have a family physician serving as a Key Contact.

House	290 / 436 (66%)
House Key Committees & Leadership	127/ 174 (72%)
Senate	95 / 100 (95%)
Senate Key Committees & Leadership	62/ 66 (93%)

- As of July 6, AAFP members sent over 650 messages urging Members of Congress on the committees of jurisdiction over Medicare physician payment to support a 2-year positive payment update.