



GOVERNMENT AFFAIRS WEEKLY

AAFP Division of Government Relations — 2021 Massachusetts Avenue, NW — Washington, DC 20036

July 13, 2007

IN THIS REPORT...

1. Both House and Senate Debate Children's Health Insurance
2. House Committee Reports Bill to Fund Family Medicine Training
3. AAFP Grassroots Efforts Grow
4. FamMedPAC Takes in Nearly \$250,000
5. Of Interest to Family Physicians...
 - Screening of Newborns
 - Mental Health Parity
 - FDA Authority to Regulate Tobacco

1. CHILDREN'S HEALTH INSURANCE DOMINATES NEXT WEEK

The Senate Finance Committee has promised to release the evening of Friday, July 13 a bipartisan compromise bill to reauthorize the State Children's Health Insurance Program (SCHIP). The legislation reportedly will add \$35 billion to SCHIP, bringing the five-year total authorization to \$60 billion. The scaled-back proposal is expected to phase out coverage for parents of eligible children, while extending coverage for more than 2.5 million children of the estimated 6.5 million uninsured children. The committee has designated an increase in the federal tax on tobacco products as the revenue to pay for the greater coverage. The committee is scheduled to debate the legislation on Tuesday, July 17.

In a meeting with Dr. Rick Kellerman, President of AAFP, and the CEOs of the American College of Physicians and of the American Osteopathic Association, Senate staff noted that Sen. Pat Roberts (R-KS), who is a member of the Finance Committee, had not indicated yet how he would vote on the measure. Dr. Kellerman contacted the Senator's office to convey the AAFP's support for SCHIP reauthorization and increased tobacco taxes as a deterrent for tobacco users, especially the underage. In addition, we sent an alert to the members of the Kansas Chapter to ask them to weigh in with the Senator's office as well.

The House of Representatives

In one of those rare alignments of legislative stars, the House committees that have responsibility for health legislations are scheduled to debate and vote on their version of the SCHIP legislation during the same week that the Senate committee is acting. The House committees have been working on a combined version that has not yet been released. Reportedly, it will include a provision to repeal the Sustainable Growth Rate (SGR), stipulate a 0.5 percent minimum increased payment for 2008 and 2009, and reconfigure the Medicare payment formula for physicians into 6 categories with their own conversion rates. According to committee staff, the bill would increase the expenditure targets for primary care and preventive services by at least 3 percent above the Gross Domestic Product (GDP). We also understand that the bill will include a Primary Care Medical Home Demonstration Grant Program. The cost of preventing a 10-percent cut in 2008 and an additional 5-percent reduction in 2009 along with a modest 0.5 percent increase each year is estimated to be over \$30 billion.

The SCHIP coverage provisions are apparently more generous than the Senate's version, and would cost nearly \$15 billion more than the Senate version. As a result, the House bill has to find revenues greater than those that would be provided by the increase in the tobacco tax. The Ways and Means Committee is proposing to reduce the subsidy of Medicare Advantage plans that receive some 12 percent more on average than does regular Medicare fee-for-service. However, this has generated considerable opposition among some Congressional proponents of Medicare managed care and private plans.

The outcome of the consideration by the House committees is far from clear. As a result, Government Relations division staff members have been working with the committee staff to focus on those Representatives that are potentially wavering in their support. In addition to individual meetings, we have had joint meetings with representatives from AMA, AOA, ACP and other physician groups. A Speak Out alert went to all AAFP members, and as reported below in the grassroots update, over 800 members have contacted their legislators.

2. HOUSE WILL CONSIDER FUNDING BILL THAT INCLUDES TITLE VII

The House Appropriations Committee approved the fiscal year 2008 Labor-HHS-Education spending bill by voice vote on Wednesday, July 11, without amendment. The Committee-passed bill includes \$228.3 million for Title VII health professions programs, a \$43.6 million (23.6 percent) increase over the FY 2007 appropriation and well above the President's FY 2008 request of \$10 million. The Primary Care Medicine and Dentistry Cluster, Section 747, was restored to the FY07 level of \$48.9 million. The full House is expected to debate the bill as early as next Tuesday, July 17. The President has threatened a veto of this or any appropriations bill which exceeds his budget request. The Committee-passed bill is \$10.6 billion above the President's request, but still \$2.9 billion below FY 2005.

The Committee rejected an amendment offered by Rep. Roger Wicker (R-MS) to block the Occupational Safety and Health Administration (OSHA) from requiring hospitals and other employers to test annually the fit of masks used to protect workers from tuberculosis. Rep. Dave Weldon, MD (R-FL) offered an amendment which was adopted by voice vote to transfer funds within the Centers for Disease Control over his concern that children's flu vaccines contain Thimerisol, a preservative made with mercury which some blame for the rise in autism.

3. AAFP GRASSROOTS EFFORTS CONTINUE TO GROW

As of July 13, AAFP members sent over 800 messages urging Members of Congress to support a 2-year positive payment update. Visit <http://capitol.aafp.org/> to view current AAFP action items.

As of July 13, we have at least one AAFP Key Contact for **395** of the 536 federal legislators. That is, 73 percent of the U.S. Senators and Representatives have a family physician serving as a Key Contact.

House	299/436 (68%)
House Committees & Leadership	133/174 (76%)
Senate	96/100 (96%)
Senate Committees & Leadership	62/66 (93%)

4. FamMedPAC APPROACHES A QUARTER OF A MILLION IN SIX MONTHS

So far in 2007, the PAC has received \$221,991 in donations from 747 AAFP members. The average donation is \$297. The PAC has contributed a total of \$175,000 to 59 candidates and

committees. Contributions have been made to 37 Democratic candidates and committees, and to 22 Republican candidates and committees. AAFP members delivered campaign contributions to Senator Blanche Lincoln (D-AR) and Rep. Michael Burgess (R-TX) in their home states. Several other checks were delivered to local campaign offices by AAFP members and appointments have been made for those members to meet with their Representatives next month when Congress is on recess.

The PAC direct marketing program test is now complete. The program was highly successful, raising just over \$91,000 (\$90,884) at a cost of \$20,000. Overall, the average pledge was \$164.82, with 25 percent of those contacted making a pledge.

An e-mail seeking contributions to the PAC was sent to all non-donors on July 10. A follow-up mailing went out that same day and should be received this weekend. This is an in-house effort and is not part of the marketing test.

5. OF INTEREST TO FAMILY PHYSICIANS...

- **Newborn Screening Legislation Gains Momentum**

Last month, AAFP signed a letter calling for prompt action on the *Newborn Screening Saves Lives Act* (S. 634/H.R. 1634.) The bill's sponsors, Sen. Chris Dodd (D-CT), and Sen. Hillary Clinton (D-NY), who introduced the *Screening for Health of Infants and Newborns Act*, have agreed to combine elements of both their bills. The combined measure would reauthorize the *Children's Health Act* and would provide as much as \$55 million to enhance the capacity of states to expand and improve their newborn screening programs for at least the 29 conditions outlined by the American College of Medical Genetics. The Clinton bill seeks to authorize statewide newborn screening and medical evaluation systems; national demonstration grant programs; and interagency collaborations between the Agency for Healthcare Research and Quality, Centers for Disease Control and Prevention, Food and Drug Administration, Health Resources and Services Administration, and National Institutes of Health. The Senate HELP Committee could schedule a vote on the combined bill as early as next week.

- **Mental Health Parity to Be Debated**

On Wednesday, July 18, the House Education and Labor Committee is scheduled to debate and vote on the *Paul Wellstone Mental Health and Addiction Equity Act* (H.R. 1424). The bill, which Reps. Patrick Kennedy (D-RI) and Jim Ramstad (R-MN), would require health plans to ensure that any financial requirements applied to mental health and addiction benefits are no more restrictive or costly than those applied to substantially all comparable medical and surgical benefits that the plan covers.

- **FDA May Be Given Authority to Regulate Tobacco**

Also on Wednesday, July 18, the Senate Health, Education, Labor and Pensions Committee is scheduled to vote on the *Family Smoking Prevention and Tobacco Control Act* (S. 625), introduced by Sen. Edward Kennedy (D-MA) with 51 co-sponsors. The bill would provide FDA with the authority to regulate tobacco products under certain circumstances. The Campaign for Tobacco-Free Kids circulated a letter to the Senate urging passage of the bill. The letter included some 400 signers, including AAFP and at least 10 constituent chapters.