



November 9, 2007

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1. DR. FEDDERLY TESTIFIES ON PHYSICIAN PAYMENT

On Thursday, November 8, AAFP Board Member, Dr. Brad Fedderly, testified before the House Small Business Subcommittee on Regulations, Healthcare and Trade. Dr. Fedderly described the effects of Medicare payment cuts on family physicians in solo and small practices. He urged Congress to enact a two-year positive update to the Medicare Physician Fee Schedule, integrate the Patient Centered Medical Home into the Medicare program and provide health information technology (HIT) grants and low interest loans to assist practices in implementing electronic health records.

The other witnesses at the hearing included representatives from the American College of Physicians and the American Osteopathic Association, both of whom echoed Dr. Fedderly's remarks about the medical home and the need for an emphasis on primary care in the program that covers our nation's seniors. Subcommittee chair, Rep. Charles Gonzalez (D-TX) expressed a good deal of interest in the medical home concept. He also stated that Congress is indeed prepared to provide assistance to practices to incorporate HIT.

2. NATIONAL SUMMIT ON PRIMARY CARE HELD IN WASHINGTON

On Thursday, November 8, AAFP President Dr. Jim King participated in a Call To Action Summit on primary care. The summit was organized by the Patient Centered Primary Care Collaborative (PCPCC) and included key note addresses by former Speaker of the House of Representatives Newt Gingrich and by Rep. Patrick Kennedy (D-RI). Participants included over 200 officials of business, unions, consumer groups and policy makers who are interested in revamping health care. Those who addressed the summit described the value of a health system built on primary care and what is needed to achieve it in this county. The National Committee on Quality Assurance (NCQA) discussed the program that the NCQA staff is developing with the advice of AAFP, the American Academy of Pediatrics, the American College of Physicians, and the American Osteopathic Association to validate individual physician practices as medical homes.

3. AAFP MEMBERS RALLY VIRTUALLY ON CAPITOL HILL

On Tuesday November 6, the AAFP sent an email from Dr. King to all active Academy members asking them to participate in the Virtual Rally on Capitol Hill Nov. 6, 7 and 8. Using the

AMA grassroots hotline, members called their senators and asked them to speak to Senators Max Baucus (D-MT) and Charles Grassley (R-IA), the Chairman and Ranking Member of the Senate Finance Committee, and urged them to include a multi-year positive Medicare physician payment update in the Medicare bill they are drafting.

4. HHS SPENDING BILL SENT TO THE PRESIDENT FOR CERTAIN VETO

The Senate cleared the fiscal year 2008 Labor-HHS-Education spending bill on Wednesday by a vote of 56 to 37. On Thursday, the House approved the bill (HR 3043) by a 274 -141 vote. President Bush has pledged to veto the measure because it would provide \$150.7 billion in discretionary spending, \$9.8 billion more than he proposed. The votes in both the House and the Senate on the Labor-HHS-Education measure appear to be short of the two-thirds needed to override a presidential veto. The AAFP will continue to press for enactment of a FY 2008 spending bill which restores Title VII Health Professions Training Grants.

5. KANSAS REFORM RECOMMENDATIONS INCLUDE MEDICAL HOMES

The Kansas AFP has been working directly with the Kansas Public Health Authority on health care reform in the state. A series of recommendations was presented to the legislature on November 1, 2007 which included, "...Promoting Medical Homes and Paying for Prevention..." as a primary tenant. Speaking before the Joint Committee on Health Policy Oversight, Carolyn Gaughan, Executive Vice President of the Kansas Academy, reinforced the importance of a medical home with a primary care physician leading the health care team citing the Joint Principles of the Patient-Centered Medical Home.

6. FamMedPAC CONTINUES TO GROW

As of November 9, FamMedPAC has received \$333,930 in donations from 1285 AAFP members. The average contribution is \$260. FamMedPAC has contributed a total of \$264,000 to congressional candidates and committees.

FamMedPAC-sponsored events this week:

- Rep. Lois Capps (D-CA) – Rep. Capps serves on the healthcare subcommittee of the House Energy and Commerce Committee. This discussion focused on the children's health insurance bill and the Medicare physician fee schedule cuts. Rep. Capps is a strong supporter of a permanent fix to the SGR. She is a former registered nurse and spoke at the 2007 Family Medicine Congressional Conference.
- Rep. John Boehner (R-OH) – Rep. Boehner is the leader of the Republicans in the House. Dr. Jim King attended this event. He spoke about the SGR fix and predicted that the Democrats would not allow the scheduled cuts to occur. He was not sure of what larger bill to which this "fix" would be attached but felt confident that Congress would pass the legislation before the end of the year. Although he recognized the need for a long-term solution to the SGR, he felt that there is not enough time to accomplish this and thought a one-year freeze or slight increase would be the most likely outcome. He also spoke about the need for the Republicans to come up with their own plan to address healthcare, with the emphasis on a patient-centered approach.
- Majority Whip Jim Clyburn (D-SC) – Rep. Clyburn, the second ranking Democrat in the House, hosted a reception for freshman House members, Reps. Chris Carney (PA), Kirsten Gillibrand (NY), Steve Kagen (WI), and John Yarmuth (KY). Rep. Kagen, a physician, and Rep. Gillibrand both recently received contributions from FamMedPAC. They each supported the original children's health insurance bill in the House that contained a provision addressing the SGR cuts.

- Rep. Jason Altmire (D-PA) – Rep. Altmire is a freshman Member of Congress who supported the original children’s health insurance bill with the physician payment reforms. He believes physicians should have a two-year positive update and supports efforts to override the President’s veto of the children’s health insurance legislation.

7. OF INTEREST TO FAMILY PHYSICIANS...

- *MedPAC Examines Part D Drug Program*

On Thursday, November 9, the Medicare Payment Advisory Commission (MedPAC) held three sessions on the Part D Prescription Drug Program. Of most interest to family physicians were the panels on formularies and the benefit design. In the former panel, Jack Hoadley, a researcher from Georgetown University, found that while most plans use a three-tier formulary, those allowing beneficiaries a greater choice of drugs include greater restrictions. Additionally, Hoadley found that plans dropped less than 1 percent of drugs from their formularies. Of greatest concern to commissioners, however, was whether this broad analysis captured whether beneficiaries were getting the drugs they needed. Hoadley stated that physician focus groups revealed many would switch a patient’s drug to avoid going through the exceptions process.

The second panel focused on MedPAC research indicating that the percentage of beneficiaries with drug coverage had increased from 75 percent to 90 percent with the inception of the Part D program and that enrollment is concentrated in a few drug plan sponsors. Additionally, beneficiaries largely choose Medicare Advantage enhanced plans that cover drugs in the gap (generally generic) or require no deductible. Of concern to the commissioners was the fact that 2.6 million low-income individuals will need to change plans this year due to premium prices. Commissioners stated that this group needs greater stability and noted that plan switching must be increasing administrative costs. Finally, commissioners were surprised by the \$4.3 billion amount owed to CMS by the plans due to the fact that the latter overestimated their prospective costs.

- *State Elections Wrap-Up - 2007*

Kentucky voters cast ballots for governor and other statewide offices. Incumbent Governor Ernie Fletcher (R), a family physician, was defeated in a landslide by former Lt. Governor Steve Beshear (D). The new Lt. Governor in Kentucky will be State Senator Daniel Mongiardo (D), an ENT surgeon from rural Hazard County.

Louisiana, with its unique elections process, resolved the majority of its offices in an October primary, an election that sends Congressman Bobby Jindal (R) to the Governor’s office. A run-off election will be held on November 17 to determine the winners of remaining legislative offices, with only the state House of Representatives up for grabs (Democrats retained control of the Senate).

In **Mississippi**, Democrats regained control of the state Senate and retained control of the state House. Governor Haley Barbour (R) was re-elected easily.

The **New Jersey** election brings new faces to over one-third of the legislature’s seats. Democrats retained a comfortable majority in both chambers, though.

Virginia Democrats celebrated claiming control of the state Senate for the first time since 1999 with a gain of four seats (a potential fifth may go to recount). Even though Republicans retained a majority in the state House, Democrats picked up four seats in that chamber, as well.