

GOVERNMENT AFFAIRS WEEKLY

A Report to the Board of Directors

March 16, 2007

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1. IMPROVING PAYMENT FOR PRIMARY CARE

On Tuesday, March 6, the Health Subcommittee of the House Energy and Commerce Committee held a hearing on Medicare physician payment. The Committee heard from Glenn Hackbarth, Chairman of MedPAC; Bruce Steinwald, Health Care Director for GAO; Elliot Fisher, MD, MPH from Dartmouth; and Byron Thames, MD, Board Member, AARP.

On that same day, Chairman Hackbarth testified before the House Ways and Means Subcommittees on Health and on Oversight.

Rep. Tammy Baldwin (D-WI) was the only member to ask specifically about paying for primary care, at the request of AAFP's Government Relations staff. She noted how poorly primary care physicians are paid and expressed concern that the number of medical students going into primary care was declining. She asked how to help primary care and increase the number of students choosing it. Hackbarth responded that MedPAC wanted to improve payment for primary care and that the problem stemmed from a reimbursement system based on relative values and that new codes needed to be added to reward time spent educating and counseling. He also said that lifestyle was an issue because students saw primary care as a harder life.

Every legislator in attendance said that the physician payment was flawed; that Congress should not have to deal with this issue every year; and that a permanent fix was needed.

2. MEDICARE PHYSICIAN PAYMENT FIX "RESERVE"

On Wednesday, Senate Budget Committee Chair Kent Conrad (D-N.D.) presented his fiscal year 2008 budget resolution or "Chairman's Mark," which rejects the President's proposal for additional arbitrary across-the-board provider

payment cuts if general revenue financing exceeds 45 percent of Medicare costs in the future. The Chairman's Mark also includes a reserve fund to increase the reimbursement rate for physician services under Medicare Part B. Under current law, physician payments under Medicare Part B will be cut by ten percent in 2008, and by up to five percent in subsequent years. The President's budget does not propose to prevent this cut. The Senate Budget Committee recognized that if no adjustments are made, over time, more and more physicians will stop providing services to Medicare patients, reducing seniors' access to care.

The Chairman's Mark also rejects the President's proposed cuts and program terminations in health professions training programs, and includes funds for an expansion of SCHIP, as well as billions of additional funds for health care for veterans. The Committee markup is ongoing as of this time. The full Senate might vote on the proposal next week.

3. BANNING DISCRIMINATION BASED ON GENETIC INFORMATION

The House Energy and Commerce Health Subcommittee held hearings on H.R. 493, legislation that bans discrimination in employment and health insurance. The House Education and Labor Committee already has approved the bill. The full Energy and Commerce Committee may consider the legislation by the end of March. On March 14, the House Ways and Means Committee was the third House committee to debate the bill that would ban discrimination in employment or insurance coverage based on genetic information. If those Committees all approve the measure, which has 214 House cosponsors, it will be ready for debate by the full House of Representatives, probably in late spring.

4. FamMedPAC

AAFP Board member Dr. Jim Dearing attended a healthcare breakfast for Rep. Pete Stark (D-CA). Rep. Stark chairs the House Ways and Means Health Subcommittee. Rep. Stark held a wide-ranging discussion about several healthcare issues, including health information technology (HIT) and the Medicare physician payment formula. He supports efforts to prevent a negative update this year and to replace the payment formula. Realistically, he felt that Congress would stop the cut for this year, and leave replacing the formula for 2009. He did feel that some type of quality reporting measures will need to be part of any new payment mechanism. On HIT, he feels that the federal government needs to provide some sort of financial incentive for physicians to acquire and use an HIT system. As usual, he expressed his support for primary care and for efforts to encourage more medical students to choose primary care.

In the evening of Tuesday, March 6, AAFP Board member Dr. Lori Heim attended a reception sponsored by the Democratic Congressional Campaign Committee. The event included most of the Democratic Members of Congress and Dr. Heim was able to meet several of them.

On the morning of Thursday, March 8, AAFP Board member Dr. Roland Goertz attended a healthcare breakfast for Rep. Anna Eshoo (D-CA). Rep. Eshoo is a member of the House Energy and Commerce Committee Health Subcommittee. The discussion centered on the need to prevent the Medicare payment cuts and replace the SGR formula. Rep. Eshoo was particularly disappointed with MedPAC and its presentation to the Subcommittee the day before at the hearing on the SGR formula. She promised to encourage the Chairman of the Subcommittee to hold additional hearings that would include physicians.

On Friday, March 9, AAFP staff attended a healthcare breakfast for Rep. Charlie Rangel (D-NY). Rep. Rangel chairs the House Ways and Means Committee. Rep. Rangel did mention the SGR formula and the need to stop the cuts this year. He pointed out that there is very little money in the budget both to stop the cuts and to repeal the formula, particularly with the Democrats' pledge to pay for all new spending and not increase the deficit. He did say that his Committee would hold hearings and bill mark-ups in public and that physicians would get a "fair shake" from his committee.

The members of the AAFP Board of Directors made contributions to the PAC at their annual meeting last week. The AAFP Board members have contributed a total of \$22,450 to the PAC in 2007. A total of \$62,250 has been contributed to FamMedPAC since January 1, 2007.

5. MEDICAL HOME IN THE STATES

Staff research indicates that CA, ID, MS, NJ, NM, OK, TX, UT and VA have codified the definition of a medical home since 2004. Additional pending legislation would add legal definitions in CO, DC, LA, MN, WA and WV. The definitions range from broad, [CA "For purposes of this paragraph, "medical home" means a single provider or facility that maintains all of an individual's medical information. The primary care provider shall be a provider from which the enrollee can access primary and preventive care"] to specific [MN - " In order to be designated a medical home under the pilot project, primary care health care professionals or clinics must demonstrate their ability to: (1) be the patient's first point of contact 24 hours a day, seven days a week; (2) provide or arrange for patients' comprehensive health care needs, including the ability to structure planned chronic disease visits and to manage chronic disease through the use of disease registries; (3) coordinate patients' care when care must be provided outside the medical home; (4) provide longitudinal care, in addition to episodic care, including meeting long-term and unique personal needs; (5) make available to patients that choose a medical home an electronic personal health record that is prepopulated with the patient's data, consumer-directed, connected to the provider, allows for 24-hour access, and is owned and controlled by the patient; and (6) systematically improve quality of care, using patient feedback and other methods...".]

As a follow-up to the web-based seminar on the Patient-Centered Medical Home, this material has been shared with chapters as they continue to respond to requests from legislators for information on the medical home. There are presently 55 active pieces of legislation that reference the medical home in the 2007 session.

6. STATE LEGISLATION OF INTEREST

HPV Vaccination Mandates

State legislative activity around HPV vaccines slowed a bit in the past two weeks. The big news came from the states of New Mexico and Virginia with Governors Bill Richardson (D) and Tim Kaine (D) announcing they would sign mandate bills, while the Texas House passed a measure that aims to halt Governor Rick Perry's (R) vaccine mandate executive order in its tracks. That bill now heads to the Texas Senate. The issue remains active, though, with 82 measures in 36 states. The majority of the bills address, generally, one or a combination of three approaches: 1) vaccine mandates for school entry, 2) mandated payment for the vaccine, or 3) public awareness/information campaigns. AAFP staff is keeping chapters and interested members aware of state activity.

Anatomic Pathology

Nine states are addressing eleven bills dealing with restriction of billing codes to pathologists. Unfortunately, restrictive billing legislation passed the Utah Legislature and was signed into law by Governor John Huntsman (R) on March 12. Government Relations staff developed an issue brief on the topic in 2006 that was updated during the summer. Staff is sharing with the chapters the documents used by other states to address this legislation.

Additionally, staff convened a conference call for the chapters of the ten states facing this legislation. Robb Bohannon of the American Academy of Dermatology joined the call, which focused on effective strategies for engaging state legislatures on this issue.