

July 31, 2008

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[Note: Congress will be in recess until mid September.]

1. FAMILY PHYSICIAN TESTIFIES ON HEALTH INFORMATION TECHNOLOGY

Dr. Thaddeus Bort, a family physician from Cincinnati, Ohio, testified before the House Small Business Committee on Thursday, July 31 at a hearing titled “Cost and Confidentiality: The Unforeseen Challenges of Electronic Health Records in Small Specialty Practices.” AAFP member Thaddeus Bort, MD, (Cincinnati, OH) was invited to testify. Dr. Bort joined the panel of witnesses that included:

Philip W. Tally, MD, Robert Plovnick, MD, MS, Director of Quality Improvement & Psychiatric Services, American Psychiatric Association, Arlington, VA; Edward Gottlieb, MD, FAAP, The Pediatric Center, Stone Mountain, GA, (American Academy of Pediatrics); and Ralph Hale, MD, FCOG, Executive Vice President, American College of Obstetricians and Gynecologists.

Drs. Bort shared his practice’s actual EMR experiences with the committee. Dr. Bort’s group of twelve FPs embarked upon EMRs two years ago. He delineated for the committee the staggering up front costs (\$228,000) and the surprising ongoing cost of maintaining the system (\$258,000). He also explained hidden costs associated with training, decreased patient volume while in training and transition, and an \$80,000 expense associated with the transfer of existing paper files to an electronic format.

In addition to the costs, Dr. Bort described the benefits and the challenges his practice experienced. He emphasized the importance of a functional and interoperable EMR system in a family medicine practice that serves as a patient-centered medical home. He also mentioned the current challenges encountered; primarily the lack of communication compatibility with other providers that results in the generation of considerable faxes which must be scanned into the EMR and then shredded.

Dr. Bort offered the committee two recommendations: (1) that the investment and utilization of HIT should receive some form of tax incentive or system of reward; and (2) that Congress should foster an environment that provides incentives for the private sector to hasten the interoperability of EMR systems, workflow, and clinical data to promote low-cost solutions to enable quality measurement and improvement.

Dr. Bort concluded by saying: “Both despite and because of our experience, I believe the benefits of EMR over paper charting are numerous and profound. But because of the substantial cost and time barriers it is quite difficult for small practices to convert to EMR. Yet we recognize how EMRs can improve the quality and efficiency of our care. Since we all share the goal of better outcomes at lower costs, widespread use of electronic medical records is central to achieving that goal.”

Chairwoman Velazquez said the Committee is very serious about finding ways to help small medical practices convert to electronic health records.

2. THE HOUSE APPROVES A BILL TO REGULATE TOBACCO

By a vote of 326-102, advocates giving the FDA power to regulate tobacco products succeeded in passing the *Family Smoking Prevention and Tobacco Control Act* (HR 1108) in the House of Representatives on Wednesday, July 30, after more than a decade of trying. But they face some formidable obstacles in the Senate, including a tight time frame in which to act. The margin was large enough to override a threatened presidential veto.

In the House, the Chairman of the Energy and Commerce Committee, Rep. John D. Dingell (D-MI), and the Chairman of the Oversight and Government Reform Committee, Rep. Henry A. Waxman (D-CA), made several compromises to build support for the measure. They agreed, for example, to loosen some of the proposed restrictions on how stores could sell and advertise cigarettes.

Tobacco industry lobbyists fighting the bill are hoping that the short time frame would make it difficult for lawmakers to send the measure to the President’s desk. Cigarette maker Philip Morris USA backs the legislation, but its major competitors do not. The Lorillard Tobacco Co. and the R.J. Reynolds Tobacco Co. have argued that advertising restrictions in the bill essentially would lock in Philip Morris’ substantial market share, and leave other tobacco companies unable to compete. They are lobbying hard against the measure. But because of the Dingell-Waxman compromises, other groups who previously opposed the bill — such as the Association for Convenience and Petroleum Retailing — have decided to remain neutral.

At least one senator, Michael B. Enzi (R-WY), already has promised to try to block the legislation. He has opposed any bill that would not ban tobacco outright, arguing for a stricter bill and citing his own parents’ smoking as the reason. Other Senate Republicans, including Senator Orrin G. Hatch of Utah and Senator Johnny Isakson of Georgia, also want a stricter bill.

The White House issued its veto threat on Wednesday before the House voted. In a statement, the administration said the bill would “undermine one of the nation’s premier public health and regulatory institutions and potentially lead the public to mistakenly conclude some tobacco products are safe.” The administration argues that the bill would divert the FDA from its primary responsibilities, such as reviewing new pharmaceutical drugs and overseeing food safety. The White House also objects to the user fees on cigarettes that would be levied under the bill to pay for the FDA’s new regulatory activities, calling them “a new tax that would be paid disproportionately by low-income individuals.”

While the House bill would let the FDA regulate tobacco and nicotine levels, it would not empower the agency to ban cigarettes outright, or to force the elimination of nicotine from tobacco products. Still, public health groups have supported the bill, with the expectation that it would decrease smoking rates and reduce tobacco related illnesses and deaths.

Some conservatives can be expected to stand by the President, as they have on other health policy measures such as the State Children’s Health Insurance Program (SCHIP). But a

companion Senate tobacco bill (S 625) already has 56 cosponsors — including conservative allies of the President, like Senator John Cornyn (R-TX) and presumed presidential nominee Senator John McCain (R-AZ). The Senate bill has already been approved by the Health, Education, Labor and Pensions Committee.

The FDA's new regulatory duties would be funded by user fees levied on tobacco companies. According to a Congressional Budget Office analysis of the bill, the FDA would spend \$2.2 billion over five years on its new regulatory activities. Advocates of FDA regulation of tobacco have been trying to get Congress to act on the FDA question since 1995, when the Clinton administration first asserted authority over the sale and marketing of tobacco products as part of a broad effort to curb teen smoking. But the U.S. Supreme Court, in a 5-4 decision in 2000, barred the FDA from regulating tobacco, saying it had exceeded its authority.

3. COMMUNITY HEALTH CENTER LEGISLATION PASSES SENATE

On Monday, July 21, by unanimous consent, the Senate approved the *Health Care Safety Net Act* (S. 901), which reauthorizes the Community Health Centers (CHC) Program, the National Health Service Corps, and the Rural Health Care Programs. A companion bill (HR 1343) passed the House back in June, and a conference committee must reconcile it with the Senate version. The Senate legislation will expand the reach of CHC to serve an additional 8 million patients by 2012, compared to the present volume of 17 million patients.

4. FamMedPAC: STRONG CHAMPION FOR FAMILY MEDICINE

Since January 2007, FamMedPAC has collected \$674,097 from 2311 AAFP members. For 2008, donations to the PAC total \$335,153. The average donation since January 2007 is \$292. The direct marketing program sent letters to over 7,600 AAFP members with confirmed home phone numbers this week and phone calls will begin this weekend. The marketing program has reached almost 15,000 AAFP members, with 2,129 (14.25 percent) pledges made to the PAC. The average pledge is \$176.21 and over \$375,000 has been pledged. Two chapters have achieved the goal of having 10 percent of their members contribute to the PAC in the 2007 – 2008 election cycle. Rhode Island, with 18 contributors to the PAC, and Tennessee, with 137, have each reached the 10-percent participation level. FamMedPAC has contributed \$611,500 to 198 candidates or committees thus far in the 2007-2008 election cycle.

Government Relations staff attended a fundraising reception last week for **Sen. Gordon Smith (R-OR)**. Sen. Smith serves on the Senate Finance Committee and was very supportive of the Medicare bill that included physician payment. In fact, he claims credit for persuading several Republican senators to vote for the bill after he explained in a caucus that the PFFS Deeming provision was actually pro-competitive. It was clear from the discussion that the senator was quite well-versed in the nuances of the Medicare bill. He believes next year health care will be a top-tier issue but it must be approached incrementally. He has signed onto Wyden's Healthy Americans bill, but, in reality, he believes a bill that would open the federal employees health insurance program to all Americans could pass.

Government Relations staff attended a fundraising reception for **Rep. Kristen Gillibrand (D-NY)**, a freshman member of Congress who FamMedPAC supported in her first election. The Chairman of the House Energy and Commerce Committee, Rep. John Dingell (D-MI) was a special guest at the event. Rep. Gillibrand is a strong supporter of SCHIP and voted for the Medicare physician fee schedule "fix" legislation. She spoke about the difficulty her local VA is having hiring nurses, and the challenge for her hospitals in affording HIT systems. She acknowledged that grants for hospital EMRs don't help doctors in private practice. She will work to promote the availability of HIT to all healthcare practitioners and will continue to fight for expanded Title VII funding. Vito Grasso, Executive director of the New York Academy of Family

Physicians is attending and event for Rep. Gillibrand in the district this weekend and will deliver the FamMedPAC contribution.

Government Relations staff attended a healthcare reception for **Sen. Susan Collins (R-ME)**. Sen. Collins voted right on each Medicare payment vote, and characterized the President's veto as "ill conceived." She recognizes that the Medicare physician payment formula is badly flawed, and she has long supported our position. She has been a consistent support for Title VII health professions training appropriations. She said that her Uncle was a family doc who helped to start the Maine-Dartmouth residency program and that health care has long been her favorite issue.

Government Relations staff attended a fundraising event for **Rep. Tom Price (R-GA)**. Rep. Price is a physician and voted for the Medicare physician fee schedule "fix" legislation. It was not an exclusively health care event; so much of the discussion was about energy, financial institutions and defense projects. He did not refer to any specific legislative proposals he has for reforming health care, but expects the next Congress to consider the issue. Rep. Price would like to be appointed to the Ways and Means Committee in the next Congress and is actively campaigning for a seat.

Government Relations staff attended a fundraising reception for **Rep. Michael Arcuri (D-NY)**, a freshman Member of Congress whom FamMedPAC supported in his first election. Rep. Arcuri supported the Medicare physician fee schedule "fix" legislation, as well as the children's health insurance bill passed by the House earlier this year. Rep. Arcuri is looking forward to working on healthcare reform in the next Congress, but sees energy and the number one issue in his reelection campaign. He is interested in learning more about AAFP's medical home model of care and would like to examine ways to encourage more medical students to choose primary care as their specialty. Vito Grasso, New York AFP Executive Director is meeting with Rep. Arcuri in the district and delivering the FamMedPAC contribution.

Government Relations staff attended an event for **Rep. Mark Kirk (R-IL)**. Rep. Kirk serves on the House Appropriations Committee. He is also Chair of the Tuesday Group, a group of moderate Republicans. Rep. Kirk voted for the Medicare physician fee schedule "fix" legislation and was instrumental in persuading members of the Tuesday Group to vote for the bill as well. He is looking forward to working with the physician groups on a permanent fix to the fee schedule in the next Congress. He also has heard that the SCHIP legislation may come up in the House in September, and he plans to support it.

Government Relations staff was invited to meet with **Rep. Phil English (R-PA)**, who is on the Ways and Means Committee, including the Health Subcommittee, as a thank-you for our past support. It was not an exclusively health care event and the congressman made no formal comments. Instead, he preferred to move around the room and visit with people individually and in small groups. There were a few health groups represented and together we thanked him for his support and work on the Medicare Physician fee Schedule legislation. He appreciated the comments and reiterated his intent to try to reform the formula long term.

Government Relations staff attended a PAC reception for **Rep. Dennis Moore (D-KS)** who is a Blue Dog Democrat and who represents the district where the AAFP headquarters is located. GR staff thanked him for his support over the years and acknowledged his identification with family physicians, particularly those who practice in rural settings. Staff also had the opportunity to visit with the congressman's wife Stephanie, who is a nurse practitioner.

5. CONGRESS CALLS FOR STUDIES OF HEALTH CARE ISSUES

The recently passed *Medicare Improvements for Patients and Providers Act* (MIPPA) included authorization for several studies that may affect health care in the future.

- **Clinical Effectiveness** – the Institute of Medicine is directed to undertake 2 studies. The first would identify standards for conducting reviews of clinical effectiveness research to assure that such reviews are consistent and scientifically valid. The second study will recommend how to develop clinical practice guidelines that are objective. Both studies are due in 18 months.
- **Imaging Services** – HHS is designated to determine the appropriateness of the advanced diagnostic imaging services that have seen a surge in usage in the past few years. This determination will be made through a 2-year demonstration project.
- **Chronic Care Improvement** – the Medicare Payment Advisory Commission (MedPAC) will conduct a pilot study on the feasibility of establishing a Medicare Chronic Care Practice Research Network that would be used to test new models of care coordination. A report is called for by June 15, 2009.
- **Health Care Disparities** – HHS will evaluate approaches for the collection of data that allow for a better evaluation of disparities in health care services and performance on the basis of race, ethnicity and gender. The report to Congress is due in 18 months.
- **Rural Health Access** – HHS will conduct a demonstration project that will examine how to increase access and quality of payments for health care services provided in certain rural counties and to evaluate regulatory challenges facing providers and communities. The demonstration program will take three years, beginning on October 1, 2009.

6. NCSL LEGISLATIVE SUMMIT CONVENED IN NEW ORLEANS

The National Conference of State Legislatures convened its annual Legislative Summit in New Orleans the week of July 21. At the Legislative Summit, the AAFP serves as manager of "Physicians Advocating for Patients," an exhibit pulling together 13 other medical specialty societies, including the AAP, AMA and AOA. The Louisiana AFP joined with the Academy to educate state legislators and legislative staff on family medicine and the patient-centered medical home, as well as offer family medicine's views during wide-ranging discussions with state policymakers.

7. MEDICAL HOMES SUMMIT BRINGS IN FAMILY PHYSICIANS

The National Academy for State Health Policy and the Patient Centered Primary Care Collaborative hosted a Medical Homes Summit in Washington, DC, July 24-25. The primary goal of the summit was to bring together select states advancing the patient centered medical home model within state Medicaid, SCHIP, and employee health programs. Two family physician members of the AAFP were part of the state team. Steve Crawford, MD from Oklahoma and Karl Watts, MD, from Idaho. Dr. Crawford was instrumental in working with the Council of State Governments to approve a resolution in support of the medical home. Dr. Watts, a member of the Governor Otter's Select Committee on Health Care, is an active member of the Idaho AFP and their 2008 Family Physician of the Year.

8. HOUSE PASSES STUDENT INSURANCE MEASURE

By voice vote, the House passed legislation on Wednesday, July 30, that would allow college students who fall ill to leave school for up to a year without losing coverage under their parents' health insurance policies. The bill, called *Michelle's Law* (HR 2851), was sponsored by Rep. Paul Hodes (D-NH). Many insurers allow dependent children to maintain coverage under their parents' health policies as long as they are enrolled in school, but no federal law requires it.