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1. PRESIDENT SIGNS SHORT-TERM SPENDING BILL FOR FY 2009

On September 30, President Bush signed the *Consolidated Security, Disaster Assistance, and Continuing Appropriations Act* (HR 2638, now Public Law 110-329). The measure provides full year funding for the Department of Defense, Veterans Affairs-Military Construction, and Homeland Security.

The *Continuing Appropriations Act* provides only stop-gap funding for HHS agencies at current levels through March 6, 2009. Of interest to the AAFP, Title VII grants will not be awarded until the final full year spending bill is enacted. The law prevents agencies from initiating or resuming programs or procurements not funded in FY 08 and from awarding new grants. The House voted, 370-58, to approve the package on September 24, and the Senate followed suit, 78-12, on September 27. The new Congress is expected to finalize FY 2009 appropriations early next year.

The prospect for substantial increases in spending for AAFP priority programs dimmed somewhat on Tuesday, October 7 when the Congressional Budget Office (CBO) reported that the federal budget deficit for fiscal year 2008 was \$438 billion, \$276 billion greater than in 2007. In response to the news, House Majority Leader Steny Hoyer (D-MD) announced that "(t)he Democratic Congress, working next year with a new President, will strive to restore fiscal discipline to the federal budget."

2. MENTAL HEALTH PARITY INCLUDED IN WALL STREET BAILOUT

The *Emergency Economic Stabilization Act* (HR 1424, now Public Law 110-343) to authorize a \$700 billion financial rescue package passed the House on a vote of 263 to 171 on October 3. The Senate added a number of tax provisions and mental health parity legislation known as the *Paul Wellstone Mental Health and Addiction Equity Act* and passed the package on October 1, 74 to 25. The President signed the bill shortly after the House acted on October 3.

3. BILL TO BOOST ORGAN TRANSPLANT PROGRAM PRESENTED TO PRESIDENT

The House cleared legislation on October 3 to authorize \$5 million more each year for the agency that administers and organizes organ transplants nationwide. Authorized federal spending for the Organ Procurement and Transplantation Network, created in 1984, would rise from \$2 million per year to \$7 million. The legislation (HR 6469) cleared by a voice vote and was presented to President Bush on October 9. He is expected to sign it.

4. PA GENERAL ASSEMBLY FAILS TO REAUTHORIZE MCARE FUND

The Pennsylvania General Assembly adjourned this week with no resolution on key family medicine issues, ending in a stalemate between Governor Ed Rendell (D) and the House Democrats on one side, and the Senate on the other. The Administration had demanded a more comprehensive program for the uninsured, while the Senate had pushed for a scaled-back initiative. The Senate rejected the Administration's plan due primarily to fears that the state could not afford to sustain the program once enacted. The two sides exchanged counter proposals throughout the week, but without resolution. The House and Senate are not expected to consider much, if any, legislation in the few remaining legislative days this year.

Another one of the key issues without resolution was renewal of the Mcare (Medical Care Availability and Reduction of Error) abatement program, which reimbursed qualified providers for their assessment by the Mcare Fund. (Mcare pays claims against participating health care providers for losses or damages awarded in medical professional liability actions in excess of basic insurance coverage provided by primary professional liability insurance companies or self-insurers.) The abatement program was designed as part of the *Health Care Provider Retention Program* to help rein in the rising cost of liability insurance and to keep physicians within the Keystone State.

As it stands now, there will be no Mcare abatement for this year or the start of the next. Should this remain unchanged, physicians no longer will need to abide by their certificates of retention promising to stay in Pennsylvania. Members of the PA AFP sent over 500 messages through SpeakOut in a series of alerts over the past year urging renewal of the abatement program.