

April 11, 2008

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1. SENATE BEGINS WORK ON PHYSICIAN PAYMENT

On Friday, April 11, Senator Max Baucus (D-MT), who chairs the Senate Finance Committee, met with representatives of some 40 physician groups and other health care providers who receive payments through the Medicare Physician Fee Schedule. In the meeting, he outlined the discussions that were currently underway with Republican leaders in the Senate, with the White House and with the Finance Committee’s counterparts in the House of Representatives on addressing the pending 10.6 percent reduction in Medicare’s payments to physicians. He emphasized his interest in funding a measure that would continue the current payment rate to the end of 2008 and provide an increase for 2009. He also made clear his support for quality improvement reporting programs at CMS. Commenting that he had heard from many primary care physicians, especially family physicians, in Montana, he wants to include provisions that would be aimed specifically at improving payment for primary care. He anticipates that a bill will be introduced and debated by the Senate in mid to late May.

- **Family Physicians Get Involved at the Grassroots**

This week, the AAFP sent an action alert (<http://capitol.aafp.org/>) to members urging them once again to contact their Senators to support the *Save Medicare Act* (S. 2785). The bill, introduced by Sen. Stabenow (D-MI), would prevent the 10 percent Medicare payment cut on July 1 and provide family physicians with 18 months of Medicare payment updates. Since February 1, members have sent more than 3,700 emails and letters to Congress on the issue using Speak Out.

2. SUBCOMMITTEE WOULD BLOCK MEDICAID RULES

On Wednesday, April 9, the Health Subcommittee of the House Energy and Commerce Committee approved by voice vote the *Protecting the Medicaid Safety Net Act* (HR 5613). The measure would extend until April 1, 2009, the moratorium on any action by the Secretary of Health and Human Services to restrict Medicaid payments for graduate medical education (GME). It further extends the moratorium on restrictions on Medicaid

coverage or payment for rehabilitation services or school-based administration and school-based transportation, if such restrictions are more restrictive in any aspect than those applied to such areas as of July 1, 2007. Finally, it establishes additional moratoria until April 1, 2009, on specified regulatory actions concerning Medicaid: (1) treatment of optional case management services; (2) outpatient hospital services; and (3) allowable provider taxes. The full committee may approve the bill next week.

3. NEWBORN SCREENING BILL SET TO BECOME LAW

On Tuesday, April 8, the House of Representatives by voice vote approved the *Newborn Screening Saves Lives Act* (S 1858), which would fund screenings for congenital, genetic and metabolic disorders in newborns. The bill funds a program of federal guidelines for newborn screenings and provides grants to states to perform such tests. It will now go to the White House for the President's consideration.

4. HOUSE AND SENATE ACT ON TRAUMATIC BRAIN INJURY LEGISLATION

The House passed on Tuesday, April 8 (392 to 1) a bill to reauthorize the *Traumatic Brain Injury Act* (S 793) that would expand research and surveillance related to traumatic brain injuries. On Thursday, April 10, the Senate agreed to the changes made in the House and the final bill goes to President Bush for signing. The bill reauthorizes through 2011 a program administered by the Centers for Disease Control and Prevention (CDC) that provides state grants for treatment and rehabilitation programs for patients with brain injuries. It also requires CDC to establish a reporting system and study treatment techniques and requires the National Institutes on Health to conduct basic research on treatments for brain injuries. The legislation reauthorizes a program in Health Resources and Services Administration that provides state grants for rehabilitation of patients with brain injuries. The legislation would cost about \$1.5 billion from 2008 to 2012.

5. PAC FUNDRAISING SETS RECORD PACE

The PAC is currently enjoying its most successful fundraising cycle yet. Contributions for the entire election cycle total \$470,625. From January 1, 2008 to April 11, 2008, the PAC has received over \$131,582. This compares to \$84,380 received in the same period last year, and \$45,622 in 2006. Donations to the PAC in 2008 are up over 64 percent compared to the same time period in 2007.

The direct marketing program for FamMedPAC is continuing. Over 7,000 members have been contacted, with almost 1,100 AAFP members making a pledge. The average pledge is \$167, with almost \$175,000 pledged to the PAC since the program began in January of this year.

Government Relations staff attended a healthcare event this week for Rep. Charles Boustany (R-LA). Most of the medical specialties, including the College of Physicians, the Osteopaths, and the Thoracic Surgeons attended the event. Rep. Boustany is a thoracic surgeon and has a good understanding of the impending cuts under the Medicare physician fee schedule and the need to halt the cuts and change the payment formula. He is also working on a bill on electronic health records and asked Government Relations staff to review his legislative concepts.

6. STATE MEDICAL HOME LEGISLATION UPDATE

Some 101 bills that include at least a mention of the medical home have been presented in 24 state legislatures and the District of Columbia so far in 2008. To date, 17 bills have been introduced in nine states that aim to define the medical home, implement a demonstration/pilot program, or establish a task force/study commission. Three of these bills have passed their chamber of origin with five advancing to conference committee or signed into law.

- **Iowa Senate's Health Reform Package Includes the Medical Home**

The Iowa Senate passed a major health reform bill on Monday, April 7, by a vote of 42-6. This follows unanimous approval in the House on March 11. The bill will head to conference committee. It expands eligibility from roughly \$41,000 to \$62,000/year for a family of four for Iowa's SCHIP program; allows young adults to remain covered under their parents' insurance; encourages adoption of electronic medical records; and provides for an outline of the medical home.

The bill has perhaps some of the most detailed legislative language to date regarding the medical home model. It provides for a definition, a commission to oversee the medical home model, and lays out the general guidelines for the development and implementation of a medical home system. This section has pieces to concern and encourage family medicine.

Of concern is the broad definition of "primary care provider" that includes nurse practitioners and physician assistants. The bill does reform physician payment and includes NCQA recognition of a medical home. Money has not been appropriated for the entire plan (medical home plus the coverage initiatives), estimated to cost almost \$31 million per year. David Carlyle, MD (FamMedPAC Board member) was a gubernatorial appointee to the commission that recommended language for this bill. The Iowa AFP is engaged with the legislature on this bill.

7. KENTUCKY AIMS TO KEEP PHYSICIANS INFORMED ON CONTRACTS

The General Assembly sent Governor Steve Beshear (D) a bill which encourages insurance companies to use the Council on Affordable Healthcare (CAQH) credentialing form and requires them to make available to physicians clear explanations of how payment rates and fee schedules are determined, provide 90 days' notice of a changes in payment rates, fee schedules or other material changes to the contract, and allows physicians the opportunity to exit the contract within 45 days of receiving notices of material changes to their contract.

8. PARTNERSHIP OPPOSES EXPANSION OF NURSE AUTHORITY

The AMA's Scope of Practice Partnership (SOPP) discussed the recent *Wall Street Journal* article on the doctorate of nursing degree. A response from the AMA challenging points contained in the article has been published. Additionally, the SOPP is forming a work group that will focus on the DrNP to support state medical and specialty societies to address potential scope expansions.