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1. MEDICARE/PHYSICIAN PAYMENT

Senator Max Baucus (D-MT), chairman of the Senate Finance Committee, continues to work on legislation to address the pending 10.6 percent reduction in Medicare's payments to physicians. Baucus has 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, along with provisions to enhance primary care. At his office's request, staff at the AAFP, ACP and osteopaths provided a memo recommending primary care-specific provisions. Leaders from the same groups sent a letter to Sen. Baucus supporting his efforts on physician payment generally and primary care specifically.

2. HOUSE COMMITTEE PASSES MEDICAID SAFETY NET ACT UNANIMOUSLY

On Wednesday, April 17, the House Energy and Commerce Committee voted 46 to 0 to report the *Protecting the Medicaid Safety Net Act* (H.R. 5613), a bill to impose a moratorium on the implementation of Bush Administration regulations to eliminate or severely cut Medicaid programs. Although HHS Secretary Mike Leavitt will ask the President to veto the bill, the Ranking Republican on Energy and Commerce, Joe Barton (R-TX) has said that there are the votes to override a veto. The legislation now goes before the full House of Representatives for further action.

Rep. Barton particularly opposed the Administration proposal to halt Medicaid matching funds for state payments to graduate medical education expenditures that CMS claims it does not have the authority to make. Committee Chairman John Dingell (D-MI) pledged to Rep. Barton that they will work on separate legislation this year to give CMS authority to cover graduate medical education costs.

During the Committee consideration of the bill, Rep. Michael Burgess, MD (R-TX) offered and withdrew from consideration an amendment to extend the Medicare physician payment fix through December 31, 2008. Rep. Barton, Health Subcommittee Ranking Member Nathan Deal (R-GA), and Rep. Cliff Stearns (R-FL) spoke at length about their concerns with regard to Medicaid fraud. Chairman Dingell agreed to consider all Members' concerns about how the Medicare and Medicaid programs are not working properly. He intends to hold Member meetings to discuss these issues, which could lead to hearings and possible legislation.

3. HOUSE GEARS UP ON HEALTH INFORMATION TECHNOLOGY

Members of the House of Representatives "New Democrat Coalition" unveiled a plan to "nationalize interoperable health information technology" based on New York City's HIT program. Specifically, the coalition would like to address infrastructure, standards and financing issues. According to the press release, the latter would include codifying the HHS Office of the National Coordinator for Health Information Technology. In addition, a report on standards for public programs, such as Medicare, Medicaid and SCHIP, would be required by January 1, 2010. Rep. Allyson Schwartz (D-PA), author of the E-MEDS e-prescribing legislation, also introduced in the Senate, is a key member of the coalition.

The House Energy and Commerce Committee has begun drafting legislation to address health information technology and has asked the AAFP for specific recommendations. The legislation is on a fast-track as this issue continues to gain momentum.

4. LEGISLATION INTRODUCED TO REFORM THE FDA

Rep. Dingell has introduced legislation to overhaul the Food and Drug Administration after months of hearings on the agency. The bill would make far-reaching changes in authority, including requiring the agency to inspect foreign drug facilities. Other provisions include a company registry for all entities producing drugs, food or medical devices and require that country-of-origin be included on the same. Rep. Dingell has stated that he intends to hold hearings as soon as possible and proceed to markup immediately thereafter.

5. SENATE AGING COMMITTEE HOLDS HEARING ON CARE FOR SENIORS

The Senate Aging Committee heard from John Rowe, chairman of the IOM's Committee on the Future Health Care Workforce for Older Americans, and from Robyn Stone, executive director of the Institute for the Future of Aging Services and senior vice president for research at the American Association of Homes and Services for the Aging hearing on the need for caregivers for the elderly in an aging American society. The second panel was dominated by Martha Stewart with the Martha Stewart Center for Living at The Mount Sinai Medical Center in New York, a geriatric outpatient clinic. The members of the Committee shared their personal experiences of caring for terminally-ill parents, and Chairman Herb Kohl (D-WI) pledged "to incorporate today's lessons into legislation to expand, train and support the workforce that is dedicated to providing care."

6. FAMMEDPAC CONTINUES TO GROW AND PROMOTE AAFP AGENDA

The PAC continues to gain support from AAFP members. Over \$29,000 was contributed to the PAC this week. The PAC has received just under \$500,000 in donations for the 2007 – 2008 election cycle.

The direct marketing program for FamMedPAC, in which phone calls are placed to AAFP members asking them to support the PAC, is a major factor in the increase in donations this year. More than 8,600 members have been contacted, with over 1,200 AAFP members making a pledge. The average pledge is \$170, with over \$212,000 pledged to the PAC since the program began in January of this year.

Government Relations staff attended several fundraising events this week. Staff attended a healthcare event for Rep. John Sullivan (R-OK). Rep. Sullivan serves on the Health Subcommittee of the House Energy and Commerce Committee. The need to fix the Medicare physician fee schedule was the main topic discussed at the event. Rep. Sullivan is also very good on scope of practice issues and has promised to continue working with the physician groups in the future on this and other issues.

GR staff attended a healthcare event for Rep. Nathan Deal (R-GA), the former Chair, and now Ranking Republican, on the Health Subcommittee of the House Energy and Commerce Committee. Rep. Deal spoke of the need to address the Medicare physician payment formula and stated his willingness to work with the Democrats once a final package comes out of the Senate.

GR staff attended a healthcare event for Sen. Tim Johnson (D-SD), who is still suffering from the effects of his illness last year. Senator Johnson serves on the Senate Appropriations Committee, is a supporter of full funding for Title VII, and is the lead co-sponsor of the Senate bill addressing the Medicare physician fee schedule. The Senator said he expected Senator Baucus to bring a Medicare bill directly to the floor some time in May, and that Sen. Johnson's bill would serve as a template for that legislation.

GR staff attended a healthcare event for Rep. Pete Stark (D-CA), the Chair of the Health Subcommittee of the House Ways and Means Committee. Rep. Stark is a strong supporter of primary care. Mr. Stark was explicit in asking for help in crafting a long-term solution to the SGR and stated that it will have to contain volume caps or some method for constraining utilization. He also wants to boost primary care in any legislation that addresses the SGR. The Chairman is concerned that the Senate may not get the temporary fix done by June 30. In this case, he believes there would be a lame duck session and legislation to make a serious attempt to make physicians "whole" retroactively.

GR staff attended a healthcare event for Rep. Chris Shays (R-CT). Although Rep. Shays does not serve on the key healthcare committees in the House, he has long been supportive of Title VII appropriations. He is a good friend of medicine and is one of a handful of Republican House Members to vote in favor of the SCHIP bill that contained a paid-for fix to the Medicare SGR. Rep. Shays also voted to overturn President Bush's veto of the SCHIP legislation. Rep. Shays vowed to continue to work within the Republican Conference in the House to gain support for a fix to the SGR.

7. STATE LEGISLATION

Medical Home Language Passes Illinois Senate

On the final day for legislation to pass one chamber, Illinois SB 1925 passed the Senate and moved on to the House. SB 1925 contains language specific to the Patient-Centered Medical Home supported by the Illinois AFP. The state Academy has worked with the House sponsor and is optimistic about passage.

States Continue to Address Health Care Reform

- **Minnesota** physicians indicate pending legislation will create massive changes in Minnesota's health care system, potentially driving small hospitals and clinics out of business and harm patient care. "As a patient, you don't want to see the doctor holding a calculator to figure out if the right kind of care you need is just going to cost too much," said Dr. Jim Young, a family physician in Rosemount. House and Senate conferees will begin trying to meld the bills that each house passed this month. A major issue of contention will be whether to expand MinnesotaCare to cover 47,000 additional lower-income people.
- The budget-cutting targets sought by **Louisiana** House leaders could lead to reduced access to health-care services by the poor, elderly and disabled, the state Department of Health and Hospitals warned in a letter to lawmakers Thursday. Secretary Alan Levine said the cut in operational expenses contemplated by House budget-writers would translate to an \$86 million reduction in state general-fund spending, which would grow to \$302 million once federal matching funds were factored in. The letter presented several options for the panel to consider as it reviews state spending for the 2008-09 budget cycle.

- **Florida** lawmakers and Gov. Charlie Crist (R) are trying to find a way to provide coverage for more of the nearly 4 million Floridians without health insurance, but how successful they will be depends on how much leeway they will be willing to give insurance companies to craft low-cost plans. The House debated a wide-ranging proposal that would try to encourage the creation of inexpensive health insurance plans and includes language that would free insurance companies from state coverage mandates. SB 2534, containing Crist's plan, already has passed the Senate. Crist is pushing the Senate proposal, saying that the House version does not do enough to protect consumers. While the Florida AFP supports the premise of Senate Bill to expand insurance coverage, they have expressed concerns over any reductions or elimination of mandates.
- Senate lawmakers in **Massachusetts** are backing a bill to rein in health care costs to help pay for the state's landmark health care law. The bill would require the state to adopt a statewide system of electronic medical record keeping and set up uniform billing among health care providers and insurance companies with anticipated savings of hundreds of millions of dollars. The bill also would require pharmaceutical representatives to be licensed by the Department of Public Health and disclose the value, nature and purpose of any marketing and incentives provided to physicians.

8. OF INTEREST TO FAMILY PHYSICIANS...

- In *Retooling for an Aging America: Building the Health Care Workforce*, the Institute of Medicine described the U.S. health care work force as too small and unprepared to meet the geriatric care needs of the 78 million aging baby boomers. The IOM report issued on Monday, April 14, projects that the U.S. would need 36,000 geriatricians by 2030 and indicates that there are 7,128 certified geriatricians today. Although the report calls for increasing the number of geriatricians, it also recommends that physicians, nurses and others receive more geriatric training during their general medical education. IOM attributes much of the shortfall to misplaced financial incentives and recommends that Medicare, Medicaid and private insurers increase payment for geriatric care.
- Senator Arlen Specter (R-PA) announced recurrence of his Hodgkin's disease. Senator Specter is the Ranking Republican on the HHS Appropriations Subcommittee. He expects to continue with his duties as well as his activities associated with his candidacy for re-election in 2010.