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1. HOUSE, SENATE APPROVE BUDGETS WITHOUT CUTS TO MEDICARE, MEDICAID

Before leaving for a 2-week recess, the House and Senate adopted fiscal year 2009 budget resolutions. The \$3 trillion budget measures are similar, provide increases for many domestic programs and assume that some of President Bush's tax cuts will be allowed to expire in three years. Neither budget resolution includes the \$196 billion in spending reductions for Medicare and Medicaid proposed by the President. Democrats hailed the largely partisan budget blueprints because they rejected cuts to Medicare and Medicaid while strengthening the economy and Republicans criticized the plans for imposing tax increases.

The House and Senate Conference on the budget will be difficult and could affect the ability of Congress to move a timely Medicare payment bill. The House's measure includes a procedural mechanism to protect sensitive legislation – such as Medicare physician payment reform – from a Senate filibuster. However, the Senate version does not. Reconciliation, as the House-passed procedure is called, enables its proponents to get around the Senate's 60-vote hurdle, but it requires such legislation to reduce the deficit.

Both budget resolutions include reserve funds to allow for a Medicare physician payment increase, health information technology programs, comparative effectiveness research and mental health parity. A reserve fund is a governmental device that allows Congress to authorize and fund programs – provided that the authorizing legislation would not increase the deficit. The Senate budget resolution also includes a reserve fund for a program to encourage physicians to train in primary care residencies and attract more physicians and other health care providers to states that have health care provider shortages.

The Senate adopted its FY 2009 budget resolution, 51 to 44, early Friday, March 14 after voting on dozens of amendments in a 15-hour session. Two Republicans — Sens. Susan Collins and Olympia J. Snowe of Maine — voted for the proposal while Sen. Even Bayh (D-IN) voted “no.” On March 13, the House adopted its FY 2009 budget resolution 212-207 with no Republican votes. Sixteen Democrats voted against it.

2. HOUSE COMMITTEE PASSES TOBACCO REGULATION, NEWBORN SCREENING AND OTHER PUBLIC HEALTH BILLS

By a vote of 18-9, on March 11, the Health Subcommittee of the House Energy and Commerce Committee approved a modified version of the *Family Smoking Prevention and Tobacco Control Act* (HR 1108). The bill, which has 220 co-sponsors in the House, would require the Food and

Drug Administration (FDA) to regulate tobacco products. The legislation gives the FDA the authority to restrict tobacco advertising and promotions; to require tobacco companies to disclose the contents of tobacco products, changes to their products and research about the health effects of their products; to require changes in tobacco products, such as the removal or reduction of harmful ingredients; require larger, more effective health warnings on tobacco products; and prohibit health claims about so called “reduced risk” products. The amendments to the original bill that the subcommittee approved were both procedural.

On March 13, the House Energy and Commerce Committee passed the *Newborn Screening Saves Lives Act* (H.R. 3825). AAFP supported the passage of the H.R. 3825, a bill calling for guidelines on newborn screening, improved education, outreach, and follow-up care, and improved laboratory quality and surveillance for newborn screening.

It was one of several bills agreed to by voice vote and reported to the full House for consideration. Other bills passed by the Energy and Commerce Committee include:

- H.R. 1198 to reauthorize the Early Hearing Detection and Intervention program within HHS. This program directs Federal agencies to work with states to develop screening and early intervention programs for newborn infant hearing.
- H.R. 2464 to reauthorize the Emergency Medical Services for Children (EMSC) program within HHS. It seeks to ensure state-of-the-art emergency medical care for ill or injured children and adolescents.
- H.R. 1237 to modernize regulations on those who screen and interpret Pap tests.
- H.R. 3701 directs HHS to oversee and support national and local education campaigns to reduce falls and prevent repeat falls among older adults.
- H.R. 2063 provides schools with uniform guidance on how to create appropriate management and emergency plans for children with food allergies.
- H.R. 1418 further authorizes research and public health activities related to trauma and traumatic brain injury.

Chairman John Dingell (D-MI) has indicated that would like to have the bills considered by the House under suspension of the rules after the March recess.

3. AAFP GRASSROOTS NETWORKING ON FACEBOOK

The AAFP published a Grassroots Advocacy page on the social networking site Facebook.com. Targeted at students and residents of family medicine, the page educates visitors about the importance of getting involved in policy at the grassroots level and explains how to do it. Find out about the new outreach effort on Facebook at <http://www.facebook.com/pages/AAFP-Grassroots-Advocacy/8146294453>.

4. FAMILY MEDICINE THE FOCUS OF PAC EVENTS THIS WEEK

Government Relations staff attended a healthcare event this week for the Democratic Senatorial Campaign Committee. The featured guests at the event were Finance Committee Chairman Max Baucus (D-MT) and Congressman Tom Udall, who is running for the Senate in New Mexico. Both emphasized the need to support primary care physicians, with Sen. Baucus pointing out to the other specialty society representatives that “it is better for the specialists” to

have a strong primary care system because specialists will see the patients who really need specialized care, and those patients will have better records and up-to-date tests.

Staff also attended a dinner this week for the National Republican Congressional Committee. This was the annual spring fundraising event for the Committee. FamMedPAC organized a healthcare table that included representatives of three other specialty societies. Congressman Phil Gingrey (GA), a physician, and Congressman Steve Buyer (IN), who serves on the Health Subcommittee of the House Energy and Commerce Committee, sat at the table as well.

FamMedPAC participated in an informal coffee for the New Democratic Coalition, an organization of moderate Democrats in the House. Staff spoke with Rep. Lois Capps (CA), who serves on the Health Subcommittee of the House Energy and Commerce Committee and Rep. Rahm Emanuel (IL), who serves on the Health Subcommittee of the House Ways and Means Committee.

Government Relations staff attended a small healthcare fundraising luncheon for Sen. Blanche Lincoln, (D-AR), who serves on the Senate Finance Committee. The Senator expressed a firm desire to fix the SGR formula and indicated a sense of frustration with the way Congress has had to deal with this issue. She believes Medicare Advantage PFFS should be a funding source and supports cutting this program even though at least 80 percent of Arkansas seniors on Medicare Advantage use PFFS.

Government Relations staff attended a healthcare event for House Ways and Means Committee Health Subcommittee member Earl Pomeroy (D-ND). Rep. Pomeroy spoke about the need to provide a long-term fix for the Medicare physician payment formula, and expressed the hope that Congress could take up other pressing healthcare issues after the SGR is dealt with. He stated that he has been hearing more and more about the medical home model of care and that primary care needs to be supported in order to improve the quality of healthcare for all Americans. Rep. Pomeroy is the former Insurance Commissioner of North Dakota and he noted that the Presidential candidates' healthcare plans all focus on making health insurance more available, but fail to discuss the delivery of healthcare. He is very interested in looking at the medical home model as a way to deliver healthcare effectively and at a lower cost.

Washington staff attended a reception for the Blue Dogs, another group of moderate Democratic members of the House. Several members talked about the needs of primary care physicians, Medicare payment reform and access to healthcare. Rep. Gabriel Giffords (AZ) and Rep. Kirsten Gillebrand (NY) voiced strong support for our issues and asked for specific proposals and position papers from AAFP.

The PAC's direct marketing program is continuing. Over 28,000 letters have gone out to AAFP members urging them to support the PAC. Follow-up calls are continuing. Since the start of the program, over 4,000 members have been contacted by phone. The average pledge is just over \$166, and over \$95,000 has been pledged to the PAC.

Since the first of the year, the PAC has received \$89,929 in contributions from 253 members. Over \$428,000 has been contributed to the PAC in the 2007 – 2008 election cycle.

5. STATE ISSUES

Colorado House Committee Slows Down Liability Legislation

The Colorado House Judiciary Committee opted not to take a vote on their medical liability reform bill. It is believed that proponents of the bill lacked the votes to ensure its passage and merely are taking time to round up enough votes to move the legislation to the House floor. The measure aims to increase the non-economic damages cap for liability claims from \$300,000 to

over \$450,000, as well as remove damages for physical disfigurement and impairment from the non-economic cap entirely. The Colorado Academy and the Colorado Medical Society estimate that physicians' malpractice premiums will increase by 12-14 percent if this bill passes. The CO AFP, along with 75 other organizations, are lobbying the legislature aggressively against this bill, in addition to six Colorado newspapers coming out in opposition. As of Friday, March 14, over 135 messages were sent to Colorado legislators through Speak Out.

State Medical Home Legislation Update

The patient-centered medical home concept continues appear in state legislation, with some 86 bills introduced in 24 states and the District of Columbia so far. To date, staff identified 16 bills in nine states that aim to define the medical home, implement a demonstration/pilot program, or establish a task force/study commission.

Louisiana Initiatives Encourage Adoption of Health Information Technology

Louisiana's health information technology efforts have given the state several advantages in applying for a CMS grant program, CMS Acting Administrator Kerry Weems said on Monday. Under the pilot program, physicians who adopt electronic health records and perform highly on quality measures can earn a Medicare bonus of as much as \$58,000 over five years, with a practice maximum of \$290,000 over the five-year period, according to Weems.

Louisiana's advantages include:

- A regional health information exchange, a network that allows physicians to access patients' electronic health records;
- A chartered value exchange, a collaborative effort by health plans, employers, providers and consumers to encourage health IT adoption, and provider price and quality data; and
- State funding for health IT projects.

Governor Bobby Jindal (R) has proposed spending \$18.6 million on health IT projects next year. Under his proposed fiscal year 2009 state budget, \$11.1 million would be allocated to the Louisiana Rural Health Information Exchange, which would help rural hospitals acquire digital technology for electronic communication. In addition, the budget plan includes \$4 million for further development of the Louisiana Health Information Exchange and \$3.5 million to provide financial incentives for physicians who use interoperable EHR software.

States Hit and Miss on Scope Issues

Idaho – A bill that would have rendered licensure for lay midwives “voluntary” has been pulled back into committee due in large part to the extensive and exhaustive lobbying effort by the Idaho AFP working with the state medical association.

Georgia – Coalition efforts with concentrated activity at the committee level has resulted in a turn back of efforts by pathologists to gain a monopoly on billing codes for pathology services. Working the state medical society, OB/GYN, and medical management groups, the Georgia AFP is now reviewing bills to identify possible amendment vehicles.

Missouri – Legislation advanced that provides direct billing for pathology services, licensure of lay midwives, and prescriptive authority for nurse practitioners and psychologists.