

April 4, 2008

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1. **FamMedPAC REMINDS CONGRESS OF THE NEED FOR A PHYSICIAN PAYMENT BILL**

Government Relations staff attended a healthcare event this week for the senior Republican member of the House Ways and Means Committee, Representative Dave Camp (R-MI). Rep. Camp is aware of the pending cuts in the Medicare physician fee schedule and is confident Congress will address the issue before the July 1 deadline. He pointed out that there is disagreement between the parties, and even within his own party, on how long a temporary “fix” should last and how it should be paid for.

Dr. Tobie-Lynn Smith, the resident member of the AAFP Board of Directors, attended a healthcare breakfast with the New Democrat Coalition, a group made up of moderate Democrats. The New Dems (as they are known) have formed a healthcare task force which includes Reps. Ron Kind (WI), Lois Capps (CA), Allyson Schwartz (PA), and Jason Altmire (PA), all of whom attended the breakfast. Reps. Kind and Schwartz are on Ways and Means, Rep. Capps is on Energy and Commerce and Rep. Altmire is on the Education and Workforce Committee. The members thought that any health-related bill that passes Congress this year probably will be a placeholder for more extensive legislation in the next Congress. They believe the physician payment “fix” should be at least 18 months and should address other healthcare issues, such as e-prescribing. They also stressed the importance of passing some interoperability standards for health information technology. Concerns were raised by some at the breakfast about the privacy issues. Reps. Capps and Schwartz responded by emphasizing the positive stories associated with EHRs and all the good that can happen in an interoperable world. The New Dems will be holding a retreat this next weekend and AAFP members Dr. Joe Zebley and Dr. Eugene Newmier will attend on behalf of AAFP.

Government Relations staff attended a breakfast fundraising event this week for Sen. Pat Roberts (R-KS). AAFP was the lead sponsor of the event. Sen. Roberts is one of only two senators who serve on both Finance and HELP committees. Senator Roberts supports AAFP positions on physician workforce and payment issues. He is optimistic that a Medicare bill will pass this year but not optimistic with respect to when and how large. Sen. Roberts is committed to an 18 month “fix.” He would like “to see better, cooler and smarter heads prevail” in 2009 in developing a permanent solution to physician payment problems. However, given the rancorous political environment that exists currently, he believes Congress will produce a last

minute meager extension of current policy that will last for only 6 months, requiring a lame duck session of Congress to take action to avoid a 15-percent cut in 2009.

The Senator's legislative assistant for health issues, Jennifer Swenson, added that Sen. Max Baucus (D-MT), who chairs the Senate Finance Committee, is developing a physician payment bill with Senate leaders of both political parties and the White House. She said the White House can agree to about \$8 billion in offsets. She is a little more optimistic about getting the 18-month package done, but is not certain if the if Medicare beneficiaries will be held harmless, which is the goal of the Democrats, nor is she sure the House will accept the package (in late June).

PAC Sets Fundraising Records

Calls continue to be made on behalf of the FamMedPAC direct marketing program. Over 6,000 members have been called, with over 900 AAFP members making a pledge to the PAC. The average pledge is \$168, with almost \$153,000 pledged to the PAC since the program began.

The PAC is currently enjoying its most successful fundraising cycle yet. Since January 1, 2007, almost \$460,000 has been contributed to the PAC. Just in the first quarter of this year, the PAC has received over \$120,000 in contributions.

2. AAFP SUBMITS PRIORITIES TO HOUSE APPROPRIATIONS COMMITTEE

In written testimony submitted on Monday, March 31, AAFP called on the House Labor-Health and Human Services-Education Appropriations Subcommittee to increase federal funding for a number of key programs administered by the Department of Health and Human Services.

Specifically, AAFP's testimony included the following:

- Recommended an increase in the fiscal year 2008 appropriation for the Health Professions Training Programs. AAFP requested least \$300 million for Title VII, including \$92 million for the Section 747, the Primary Care Medicine and Dentistry Cluster, which will restore this vital program to its fiscal year 2003 level.
- Opposed the proposed cut in funding for the National Health Service Corps (NHSC) and requested \$150 million for NHSC in FY09.
- Opposed the President's request to terminate the rural health programs in the budget of the Health Resource Services Administration (HRSA). The testimony pointed to how important these programs are and asked for their continued funding in the fiscal year 2009 appropriation bill. The testimony asked for at least \$175 million for HRSA Rural Health programs.
- Recommended an increase in the fiscal year 2009 appropriation bill for the Agency for Healthcare Research and Quality (AHRQ), suggesting a funding level of at least \$360 million, an increase of \$26 million above the FY08 level.

The testimony can be found at [AAFP FY09 House Appropriations Statement, March 31, 1008](#).

3. CONGRESSIONAL LEGISLATORS ASK COLLEAGUES TO SUPPORT TITLE VII

Last month, 155 Members of the US House of Representatives signed a letter urging their colleagues on the House Appropriations Committee to restore funding to the Title VII health professions training programs to \$300 million. Reps. Diana DeGette (D-CO) and Cathy McMorris Rodgers (R-WA) circulated the letter recognizing that "at a time of serious health professions shortages, reducing this resource has already had devastating effects to the

country's neediest communities." Sens. Jack Reed (D-RI) and Pat Roberts (R-KS) have organized a similar letter, which currently has the signatures of 43 Senators.

4. RURAL HEALTH LEGISLATION INTRODUCED IN SENATE

Sen. Charles Grassley (R-IA) has introduced the *Medicare Rural Health Access Improvement Act* (S. 2786), which is a comprehensive rural Medicare bill that includes provisions addressing physician work and practice expense and other areas of rural disparities. The bill would extend the 1.0 work floor of the geographic practice cost indices (GPPCI) through December 31, 2009, and eliminate differing work index values by establishing a national value of 1.0, effective 2010. It would establish a practice expense floor of 1.0 for 2009 and reduce the geographic adjustment for practice expense to 50 percent local and 50 percent national, effective 2010. The bill would extend the physician scarcity 5 percent bonus payments through December 31, 2009. It also would establish the rural health clinic per-visit upper payment limit at \$92 per visit for 2009 and increase it in subsequent years by the percentage increase in the MEI applicable to primary care services.

5. BIPARTISAN BILL INTRODUCED FOR SMALL BUSINESS HEALTH INSURANCE

A bipartisan group of U.S. Senators introduced the *Small Business Health Options Program* (S. 2795) to help small businesses and the self-employed afford the cost of providing health care insurance for their employees. Senators Richard Durbin (D-IL), Olympia Snowe (R-ME), Blanche Lincoln (D-AR) and Norm Coleman (R-MN) proposed the legislation to allow small businesses to band together and spread the insurance risk over a large number to lower payments. The bill provides tax credits for small business owners to offset contributions to employee premiums and it bans health status rating that increases premiums because one employee gets sick.

6. TOBACCO CONTROL BILL MAKES PROGRESS IN HOUSE

On Wednesday, April 2, the House Energy and Commerce Committee approved an "increasingly bipartisan" bill that would provide the Food and Drug Administration with the authority to regulate tobacco products. The vote for the *Family Smoking Prevention and Tobacco Control Act* (HR 1108, S. 625) was 38-12 in favor. Among the changes approved by the Committee was a provision to delay the requirement that FDA propose a rule on tobacco control within one month of passage of the bill. Now, the FDA will have six months after the bill is signed into law. All of the user fees authorized by this legislation now will be dedicated solely to FDA's tobacco-control activities. The House of Representatives is likely to consider the bill in the next few weeks, where passage is likely. The Senate likely will debate their version of this bill by this summer, where passage is more problematic. Finally, the White House has not yet said whether the President favors the legislation.

7. WASHINGTON STATE GOVERNOR SIGNS MEDICAL HOME BILL

Gov. Christine Gregoire (D) signed a bill to establish patient-centered primary care pilot projects on Tuesday, April 1, 2008. (<http://www.governor.wa.gov/billaction/2008/default.asp>)

The bill instructs the Department of Health to implement pilot projects in all areas of the state that will develop new reimbursement strategies using Medicare, state and federal health program dollars, third-party payors and other health carriers. There are provisions for coordination with existing state HIT efforts, and an explicit, but not limiting, focus on reduced and proper ER usage, mammograms, electronic communication with patients, patient use of nurse consultants and diabetes.

Of concern to family medicine is inclusion of naturopaths, NPs and PAs in the definition of "primary care providers." The legislation provides another potential pitfall in that if funding specific to this bill is not provided by June 30, 2008, the act is null and void.

8. STATE ENATOR PREPARES UNIVERSAL COVERAGE BILL FOR NEW JERSEY

Under a state senator's plan, all New Jersey residents would be required to have some form of health insurance within three years. Sen. Joseph F. Vitale (D), chair of the Senate Health, Human Services and Senior Citizens Committee, is calling for an expansion of FamilyCare, the state's version of the federal program to provide free or low-cost health insurance to children from low-income families. An estimated 1.4 million residents do not have health insurance. Any such plan is likely to face tough opposition in a year when the governor has been touring the state to try to sell his plan to restructure finances.

While the New Jersey AFP applauds the effort to provide Universal Healthcare Access to New Jersey's citizens, they caution all lawmakers that simply providing coverage is only a piece of the puzzle. They state that no universal access plan can succeed if there are not enough family Physicians and other primary care clinicians to provide the care.

9. MEDICAL LIABILITY UPDATES

- ***Pennsylvania Malpractice Insurance Subsidy Lapses***

A five-year, \$1 billion taxpayer subsidy to help Pennsylvania doctors buy medical malpractice insurance lapsed yesterday, forcing physicians to pay higher premiums unless Democrats and Republicans break an impasse over expanding a state health insurance program. Gov. Rendell (D) supports a bill that passed the Democratic-led House on March 17 that would tie the future of the medical malpractice subsidy to approval of a \$1 billion expansion of the health insurance program to cover an additional 220,000 adults who cannot afford other coverage. Senate Republicans are critical of the health insurance provision and encouraged the House to pass a bill approved by the Senate in December that extends the subsidy through the end of 2008. More than 35,000 doctors and other medical professionals originally won the malpractice-insurance subsidy in 2003. The subsidy has saved the average primary-care doctor \$1,500 a year, while high-risk specialists have saved an average of \$15,000 a year according to a spokesperson for the Governor. The Pennsylvania Academy supports extension of the subsidy.

- ***Florida Liability Bill Offers Protections for Emergency Providers***

Two bills to make health care workers "agents of the state" when they are treating emergencies currently are before the legislature. Any lawsuits against such workers would be limited to \$200,000, unless legislators pass a special bill to authorize more. Opponents say such protection would be unfair to injured patients, open the door to extending protection to doctors in non-emergency cases and would not bring doctors back to the emergency room. The Florida Academy of Family Physicians, Florida College of Emergency Physicians, the Florida Medical Association and thirteen other medical associations support these bills. The House version (HB 839) currently awaits further review by the House Safety and Security Council.

- ***Tennessee Legislature One Step Closer to Passing Liability Reform***

The state House on Thursday, April 3, voted 93-1 to approve a bill to require defendants in medical malpractice lawsuits to be given 60 days' notice before a lawsuit is filed. The bill also would require that an independent medical expert evaluate the merits of a case before the lawsuit is filed. The legislation will now go to the Senate for its consideration. Last year, the Senate unanimously passed similar legislation.