



# AMERICAN ACADEMY OF FAMILY PHYSICIANS

STRONG MEDICINE FOR AMERICA

January 26, 2009

The Honorable Max Baucus  
Chairman, Committee on Finance  
United States Senate  
Washington, DC

The Honorable Daniel Inouye  
Chairman, Committee on Appropriations  
United States Senate  
Washington, DC

Dear Mr. Chairmen:

On behalf of the more than 94,000 members of the American Academy of Family Physicians, I want to express our deep gratitude for your work and that of the Finance Committee on stimulus legislation that includes several provisions to improve health care in this country. We especially support funding for the implementation and use of health information technology (HIT) as well as improved funding for Medicaid.

## Health Information Technology

As a long-time supporter of health information technology for our members, the AAFP was gratified to see nearly \$23 billion allocated to HIT to improve health care quality and efficiency. We support funding for certified HIT products and additional latitude for stand alone solutions (such as registries) that currently are not eligible for CCHIT certification. Specifically, we believe that physicians should have effective incentives to purchase a wide variety of technology that is appropriate for their particular setting. We believe that the Department of Health and Human Services should be allowed latitude to determine what products should be certified. Any funds to support the purchase of certified products should be followed by incentives that align payment with quality and efficiency. This is critical to drive the utilization of the adopted systems.

We also strongly support the dollars targeted to physicians who are “meaningfully using HIT.” However, we have a number of questions for clarification.

For example, will physicians who already have purchased HIT be eligible for funding to buy additional software to enhance their practices? We believe they should be eligible to receive funding to upgrade their systems. In addition, as we understand it, \$25,000 is the maximum amount that “high volume” Medicaid providers (those who have at least 30 percent of their patient volume in Medicaid patients) could receive and they could receive no more than 85 percent of their “net allowable technology costs” but no more than \$25,000. But the definition of net technology costs is not clear. It also appears that these providers would be required to waive any rights to Medicare HIT incentive payment. We are also unclear about the 85 percent figure of no more than \$25,000 versus the language in the report that allows eligible providers to receive no more than \$75,000.

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Additionally, we understand that \$41,000 is the maximum figure for Medicare providers. Obviously the language is confusing, appears inconsistent and seems to lack any rationale for a differential payment for Medicare and Medicaid. We urge you to establish a single figure, regardless whether physicians see Medicare or Medicaid patients.

While we understand your strong desire to encourage physicians to purchase HIT, we note that after 2015, physicians not using health information technology will face declining Medicare reimbursements. Unfortunately, since Medicare reimbursement already is at low levels, we strongly urge you to only include this provision if it is tied to and dependent upon an adequate resolution to the Medicare physician payment issue, especially for family medicine and primary care. We would also ask that you consider the capacity of the HIT market to support the deployment of HIT solutions to all physicians by 2015. We are skeptical that the market has this capacity.

Despite the above questions and criticisms, we appreciate the focus on HIT technology that promotes care coordination.

### **Medicaid**

We applaud you for including a number of important Medicaid-related measures in the stimulus package, most notably a temporary increase in the Federal Medical Assistance Percentage (FMAP) for Medicaid. An increase in the FMAP not only will help those most in need, but will have the additional benefit of stimulating the economy through targeted, specific relief in a large and critical sector of the economy.

The inclusion of a temporary option for states to enroll those receiving or exhausting unemployment benefits, receiving food stamps but otherwise ineligible for Medicaid, and families with gross incomes below 200 percent of the Federal Poverty Level, will go far to ensuring families hit hardest by the recession will stay healthy as they seek to rejoin the workforce. Having the federal government assume 100 percent of the costs of those enrolled under this option will alleviate the financial concern states may have in implementing this option.

We also support the extension of Transition Medical Assistance (TMA) until December 31, 2010. TMA allows states to extend Medicaid coverage to individuals as they reenter the workforce after receiving welfare. Given that many low-wage jobs, if offering health insurance at all, require a waiting period before a new worker may enroll in their employer-sponsored insurance, this important program helps individuals gain a job without worrying about losing their health care.

AAFP also encourages the extension of the moratorium through June 30, 2009 on six Medicaid regulations— as well as adding a seventh regulation to the moratorium—will affect greatly states' ability to maintain their programs. These regulations stand to restrict funding for crucial services such as outpatient hospital payments, graduate medical education, targeted case management, cost limits on public providers, rehabilitation services, provider taxes, and school administration and transportation services.

These provisions together are an important step and recognize the crucial role Medicaid plays as the safety net for more than 58 million of our most vulnerable patients.

### **Primary Care Workforce**

I want to also emphasize our support for health care coverage for all and point out how dependent achieving such a policy goal is on an adequate and effective primary care

infrastructure. AAFP was disappointed that the Senate Appropriations Committee failed to invest in the country's health care system by doubling the appropriation for Title VII, Section 747, Health Professions Grants for Training Primary Care Doctors and Dentists and increasing funds available for the National Health Service Corps. We urge you to include in the stimulus legislation provisions that represent sound investments in the country's health care system; specifically funding for the training of primary care physicians. Coverage for all and providing better care in a cost-efficient manner requires a health care system that is primary care-based. Consequently, we must train more family physicians to meet this goal. In addition to inclusion in the stimulus legislation, we would greatly appreciate specific mention of family medicine in the report language.

We greatly appreciate your commitment to restoring the economic prosperity of this nation by including sound and appropriate investments in the infrastructure that supports improved health care for all. As family physicians, we witness every day how important our patients' health is to their economic well being. We remain committed to joining you in your efforts to improve health care quality and access.

Sincerely,

A handwritten signature in black ink, appearing to read "JK MD". The signature is stylized with a large "J" and "K" and a smaller "MD" to the right.

Jim King, MD, FFAFP  
Board Chair