

May 28, 2010

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## NEXT WEEK IN WASHINGTON...

- \* Both the House and the Senate will be in recess.

### 1. CONGRESS FAILS TO FINISH WORK ON PHYSICIAN PAYMENT

House Democratic leaders on Thursday, May 27, released a scaled-back version of the *American Workers, State, and Business Relief Act* (HR 4213) that would delay a scheduled cut to Medicare physician payments through 2011, in an attempt to secure the votes of lawmakers wary of the legislation's cost. Under the new bill, physicians' payment rates would be increased by 2.2 percent for the rest of 2010 and by 1 percent in 2011, before payments revert back to the current formula in 2012. On Friday, May 28, in a lopsided bipartisan vote, the House approved the SGR payment 245 to 171. The affirmative vote included 15 Republican members and the vote against it included 15 Democrats.

The Executive Committee of the AAFP Board of Directors met on Thursday, May 27, and approved a change in the AAFP's position on the SGR fix. The current view of the AAFP is that family physicians are outraged that Congress is unable to achieve a permanent fix to the SGR; going forward, we will no longer support a temporary fix to the SGR unless it contains a positive update through at least 12/31/2012, and a positive primary care differential is included.

The Senate Majority Leader, Senator Harry Reid (D-NV) announced on Thursday that there would be insufficient time following House action on HR 4213 to complete Senate consideration of the bill before Memorial Day. As a result, the Senate will adjourn today and the 21 percent Medicare physician payment cut scheduled for 2010, which has been postponed three times already, will technically take effect on June 1. The Centers for Medicare & Medicaid Services already issued instructions to its contractors to postpone processing claims for Medicare physician services provided on or after June 1 for 10 days to provide time for Congress to complete its action and overturn the scheduled cut retroactive to June 1.

### 2. FamMedPAC CONTINUES TO PROMOTE AAFP'S AGENDA

The PAC supported several legislators this week:

- **Rep. Jesse Jackson, Jr. (D-IL)**, a member the House HHS Appropriations Subcommittee. AAFP staff thanked Rep. Jackson for his support of health reform and his support for the Medicare payment fix as well as his Title VII work. Rep. Jackson was uncertain about the prospects for passage of the SGR/tax extenders

- **Rep. Betsy Markey (D-CO)**, a member of the House the Agriculture and Transportation committees. She is one of the first-year legislators targeted for support by FamMedPAC who voted for the health reform bill and who is in a close re-election campaign. She is interested in knowing of physicians who could help her with bringing the message to her constituents.
- **Rep. Dana Titus (D-NV)**, who serves on the House Education and Labor Committee, was also part of the event for Rep. Markey and is targeted by FamMedPAC for support. She also voted for the health reform bill. She is very interested in having physicians participate in town hall meetings with her who could validate the health reform legislation to her constituents. House Majority Leader Rep. Steny Hoyer (D-MD), dropped by to lend support to the event.
- **Rep. Michael Burgess (R-TX)**, who serves on the Health Subcommittee of the House Energy and Commerce Committee. Rep. Burgess focused on the SGR situation and reiterated his support for changing the formula. He said he supported the proposals for addressing the SGR that are circulating in the House, but that he is not sure he could support the legislation if it continued to carry the other tax and insurance provisions. He reminded us that he was the only Republican to vote for an earlier bill to fix the SGR and that he was continuing to urge Republican legislators to support changing the formula. He said that if Republicans take back the House, he would push the leadership to make addressing the SGR one of their top priorities.

### 3. STATES INCREASE REVENUE FOR MEDICAID

Under a bill ([HB 1055](#)) recently signed by **Georgia** Governor Sonny Perdue (R), hospitals will pay a 1.45 percent provider revenue tax for the next three years to cover a projected shortfall in the state Medicaid budget. The tax is projected to raise \$169 million, which along with federal matching funds will help close a projected \$608 million deficit. In addition to funding Medicaid base operations, revenue from the tax could allow for provider reimbursement rate increases. Without the legislation, reimbursement rates were subject to a 16.5 percent cut.

In **Tennessee**, hospitals will pay a one-year 3.52 percent assessment fee on their net patient revenue effective June 30 following the passage of [SB 3528](#). Revenue from the assessment should generate at least \$310 million for the state's Medicaid program, TennCare, preventing a potential loss of about \$429 million in federal matching funds. Without such funding, budget cuts could have resulted in limiting the number of times per year enrollees could see their primary care physician and placing strict limits on lab and x-ray procedures, as well as possibly eliminating the state's graduate medical education program.

The **Oklahoma** legislature passed a measure ([HB 2437](#)) to create the Health Carrier Access Payment Revolving Fund. The Oklahoma Health Care Authority will use the newly establish fund to pay for the state's Medicaid program ensuring full use of any federal matching funds available to the state. The bill establishes a one percent health carrier access payment to be paid on all claims until January 1, 2015. The \$78 million expected from the fee should leverage an additional \$190 million in federal matching funds for FY 2011.

A measure recently passed by the **Alaska** legislature increases the income level for covering children and pregnant women under Denali KidCare—the state’s Children’s Health Insurance Program—from 175 percent to 200 percent of the federal poverty level. If Governor Sean Parnell (R) signs the legislation ([SB 13](#)), income eligibility guidelines will be restored to original levels, allowing for the enrollment of about 218 pregnant women and 1,277 children. Governor Linda Lingle (R) of **Hawaii** approved an appropriation ([SB 1178](#)) of an additional \$40 million to make up for a funding shortfall in the state’s Medicaid program. The emergency appropriation will guarantee a match of \$80 million in federal funding.

#### **4. MINNESOTA CHAPTER SUCCESSFUL IN REMOVING DENTAL CHECK MANDATE**

Minnesota Governor Tim Pawlenty (R) recently signed a measure ([SF 633](#)) concerning primary care preventive services provided during child and teen visits. Under the new law, the state Health Commissioner can encourage physicians, during such visits with patients enrolled in Medicaid, to include:

- a general visual examination of the child's mouth without using dental equipment;
- a risk assessment using the factors established by the American Academies of Pediatrics and Pediatric Dentistry; and
- fluoride varnish application beginning at age 1 to those children assessed as being high risk.

The Minnesota Academy of Family Physicians successfully urged legislators to amend this bill prior to passage, adding that the Commissioner encourage Medicaid providers rather than mandating them to provide dental checks. In order to increase dental access and oral screenings among children across Minnesota, the chapter currently is working with the state dental association.