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NEXT WEEK IN WASHINGTON...

* On Tuesday, May 11 and Wednesday, May 12, more than 150 family physicians, residents, students and educators will be in Washington for the annual Family Medicine Congressional Conference.

* On Wednesday, May 12, Dr. Lori Heim, AAFP President, will testify before the House Appropriations Subcommittee on Labor, HHS, Education and Related Programs. She will request federal funding for several programs that support family medicine.

1. SENATE TAKES STEPS TO REPEAL INSURANCE ANTITRUST EXEMPTION

Senator Patrick Leahy (D-VT), who chairs the Senate Judiciary Committee, on Wednesday, May 5 filed an amendment to the financial regulatory overhaul bill, the *Restoring American Financial Stability Act* (S 3217) that would repeal the federal antitrust exemption for health insurance companies. The House of Representatives in February passed legislation, the *Health Insurance Industry Fair Competition Act* (HR 4626), that would eliminate the exemption, and the Obama administration supports the measure. However, moderate Senate Democrats have opposed it, causing some to worry that it could not surmount a Republican filibuster. Senate Majority Leader Harry Reid (D-NV), who supports repealing the antitrust exemption, had been concerned that an antitrust provision could have hindered the health reform legislation's chance of passage.

Opponents of the measure argue that eliminating the exemption could have the unintended effect of consolidating the insurance industry by way of limiting smaller insurers' ability to compete. The current law allows pricing data to be shared. Opponents also cite an October 2009 Congressional Budget Office report that questioned whether removing the exemption actually would lower consumer costs. Senator Reid is negotiating with Senate Republican Leader Mitch McConnell (R-KY) over the financial regulation bill, but it is unclear if and when Senator Leahy's amendment will be voted on.

2. NIH DIRECTOR WARNS APPROPRIATORS OF FUNDING CRUNCH IN FY 2011

National Institutes of Health Director Francis Collins, MD, PhD announced on Wednesday, April 28 that 13 additional human embryonic stem cell lines have been approved for federal funding and added to the NIH Stem Cell Registry. At the April 28 hearing before the House Appropriations Subcommittee which funds all of the agencies within the Department of Health and Human Services, Dr. Collins testified that NIH will face a “crunch” in FY 2011 when a two-year allotment of \$10.4 billion in stimulus funding for research runs out. Dr. Collins also testified on behalf of his agency before the Senate Appropriations Subcommittee on May 5.

In the current fiscal year, NIH has a \$31 billion budget, not including about the funds from the economic stimulus law. In his FY 2011 budget proposal, President Obama has called for an increase of \$1 billion, for a total of \$32 billion for NIH. That is an increase of about 3.2 percent — which matches the inflationary index for biomedical research according to Dr. Collins. He went on to point out that science does not do well with a “feast or famine” approach to funding. When the Chairman of the Appropriations Committee, Rep. Dave Obey (D-WI) objected to that remark wondering whether the short term stimulus funds were worth it, Dr. Collins assured him that he was glad to have the money.

3. SUBCOMMITTEE HOLDS HEARINGS ON PRICE TRANSPARENCY

In a hearing on Wednesday, May 5, the Health Subcommittee of the House Energy and Commerce explored whether physicians and other health care providers should be required to disclose the price of their services. The committee debated a Democratic measure, the *Transparency in All Health Care Pricing Act* (HR 4700), offered by Rep. Steve Kagen of Wisconsin and two Republican sponsored measures, the *Health Care Price Transparency Promotion Act* (HR 2249) sponsored by Rep. Mike Burgess of Texas and the *Patients' Right to Know Act* (HR 4803), sponsored by Rep. Joe Barton, also of Texas. The three bills dealt with requiring health care providers to disclose the price of services and report out-of-pocket costs.

Greater consumer awareness of the price of health care services could help Americans get better deals and make the health care system more efficient, Rep. Frank Pallone (D-NJ) said during the hearing, but he added that price disclosure must be handled in the right way. He noted aspects of health that make it different from other markets, such as the delivery of high-cost services in emergencies when patients are not able to be good shoppers. Patients' choices are often limited by their health plans, and they “may not want to go against their doctor's decisions in order to find the lowest price,” he added. Rep. Kagen noted that, “[Health reform legislation] did not create a transparent medical marketplace to foster competition between caregivers, pharmaceutical manufacturers and health insurers.” He urged passage of his bill to better drive competition. He said the measure “will guarantee that any individual or business entity offering medical products or services for sale to the public will at all times openly disclose all of their prices, including on the Internet.”

But more pricing information won't necessarily bring clarity to the market, cautioned Steven J. Summer, president of the Colorado Hospital Association. Testifying on behalf of the American Hospital Association, Summer said, for example, that “a gall bladder operation for one patient may be relatively simple but for another patient, it could be fraught with unforeseen complications, making meaningful ‘up front’ pricing difficult and, perhaps, confusing for patients. Moreover, hospital prices do not reflect important information from other key players, such as the price of physician care while in the hospital or how much of the cost a patient's insurance company may cover.”

But more should be done, he added, calling for an expansion of state-based efforts. Summers said AHA supports a bipartisan bill introduced by Reps. Gene Green (D-TX) and Michael

Burgess (R-TX) that would expand reporting requirements to all 50 states and also require insurers to disclose estimated out-of-pocket costs for various procedures.

4. HOUSE APPROPRIATIONS CHAIRMAN TO RETIRE

Rep. David Obey (D-WI), chairman of the House Appropriations Committee and one of the most powerful and longest-serving Democrats in Congress, announced on May 5 that he would not seek re-election and would retire after 41 years in Congress. Chairman Obey intends to move the fiscal year 2011 spending bills through the House, but the process is already well behind schedule. Given partisan election-year disputes much of the committee's FY 2011 work could be left to Obey's successor to finish.

His retirement has already touched off a challenge for the chairmanship. If the Democrats hold on to their majority, Defense Subcommittee Chairman Norm Dicks (D-WA) is likely to inherit the gavel — despite a bid for it by junior committee member Rep. Chaka Fattah (D-PA). Rep. Obey himself challenged a more senior colleague to assume the chairmanship in 1994, but he assumed the role of Ranking Member when the Republicans took control of Congress in 1995.

5. FAMMEDPAC FRONT AND CENTER AT ALF, PROMOTING AAFP'S MESSAGE IN DC

FamMedPAC was highly visible at the recently completed AAFP Annual Leadership Forum/National Conference of Special Constituencies in Kansas City. The PAC had a table outside the meeting where attendees stopped by to talk politics and make their contributions. FamMedPAC Chair Dr. Jim King spoke at lunch about the importance of the PAC and how successful it has been in increasing AAFP's visibility in Washington. Attendees contributed a total of \$21,407, a new fundraising record for ALF.

FamMedPAC and AAFP participated in the following events in Washington:

- **Rep. Zach Space (D-OH)** serves on the Health Subcommittee of House Energy and Commerce. At a fundraising event for him on April 28, Rep. Space explained his vote against the Senate health reform bill saying that he was concerned about policies within the bill, the process that had been used and the politics in his district. He supports a permanent Medicare SGR fix but does not see a clear path forward.
- **Rep. John Dingell (D-MI)**, the longest-serving member of the House of Representatives and Chairman Emeritus of the House Energy and Commerce Committee, has been calling for health care reform since he was elected in 1955. Rep. Dingell had attended the April 28 hearing on antibiotic overuse and was quite energized on the topic. At the fundraising event later that evening, his chief of staff assured AAFP staff saying "we are working on your issue: the SGR." However, there was no specific indication of how the flawed Medicare SGR formula would be handled.
- The **Democratic Congressional Campaign Committee** business roundtable on April 29 gave AAFP staff the opportunity to speak with **Reps. Dennis Cardoza (CA), Xavier Becerra (CA), Mike Thompson (CA), Joe Crowley (NY), and Earl Pomeroy (ND)**. Rep. Cardoza is grateful for family medicine's support for his vote shown by a letter to the editor in a paper in his district and appreciates our strong working relationship with his office. He expressed a willingness to consider sponsoring our proposal for a Primary Care GME Modernization Pilot. Rep. Becerra encouraged family physicians, as frontline providers, to help with education and implementation of the PPACA. He was also interested in discussing our proposal for a Primary Care GME Modernization pilot.

- The **Democratic Senatorial Campaign Committee** breakfast meeting attended by **Senator Robert Menendez (D-NJ)**, Chair of the DSCC, and **Senator Debbie Stabenow (D-MI)**, who serves on the Finance Committee, focused on the upcoming election, with Senator Menendez asserting that, while the Democrats will suffer losses, they will retain the majority in the Senate. He feels that the economy is improving and Democratic candidates are starting to hit their stride. Both Senators talked about the need to reform the Medicare physician payment formula and insisting that the scheduled payment cuts would not happen. The current discussion in the Senate is for a 5-year freeze in payment rates, giving Congress the time to reform the formula. Several people at the meeting expressed concern about a freeze, urging the Senators to find a way to provide an increase in the coming years.

6. STATES PREPARE TO IMPLEMENT FEDERAL HEALTH CARE REFORM

Friday, April 30 was one of the first deadlines established under the federal health care reform legislation. States were required to decide whether they would work with the federal government to establish a health insurance pool for high risk individuals. Of the 29 states that agreed to create a pool, Alaska, California, Connecticut, New Jersey, Rhode Island, South Dakota and Vermont have Republican governors. Rhode Island and Utah—both with Republican governors—are undecided.

These 19 states will not join HHS in creating a state pool:

Alabama	Hawaii	Mississippi	Tennessee*
Arizona	Idaho	Nebraska	Texas
Delaware*	Indiana	Nevada	Virginia
Florida	Louisiana	North Dakota	Wyoming*
Georgia	Minnesota	South Carolina	

* States with Democratic governors

Further implementation planning has started in at least five states—Colorado, Connecticut, Maine, Maryland and Wisconsin. Using executive orders, the governors of these states established the infrastructure, including new committees, councils, and boards, needed to review the new law, examine specific strategies, and put provisions into practice. The AAFP chapters in these five states already are exploring opportunities for family physicians to play an active role in implementation.

7. NEW MISSOURI LAW REQUIRES PROMPT PAYMENT FROM INSURERS

On April 27, Missouri Governor Jay Nixon (D) signed prompt payment legislation ([HB 1498](#)). Effective January 1, 2011, the new law:

- lists responsibilities for providers filing claims, giving providers and insurers a clear definition of a clean claim;
- requires insurers to either pay or deny claims within 45 days of receipt. Insurers will no longer be allowed to “suspend” claims, which can delay payment indefinitely; and
- charges insurers that do not pay claims within 45 days a daily penalty to the health care provider of one percent of the outstanding claim.

The bill was introduced in response to a 2009 Department of Insurance [report](#), which showed significant payment delays in the claims filed with insurance companies across the state with the average urban hospital reporting 25.6 percent of claims more than 90 days past due and 37 percent for rural hospitals.

8. COLORADO TO EXPAND MEDICAID BY 67,500 NEW ENROLLEES

A law that Governor Bill Ritter (D) signed in April 2009 will soon take effect. The Health Care Affordability Act ([HB 1293](#)) will allow the state’s Medicaid program to accept an additional 67,500 people. Hospitals—required by the new law to contribute funding in order to receive an

increase in federal matching funds—recently made initial payments. The additional funds, which could reach \$1.2 billion annually, will go to hospitals that treat uninsured patients and Medicaid beneficiaries. Eligibility for the child health plan is increasing from 205 percent of the federal poverty level to 250 percent, and for parents with a child on Medicaid, eligibility will rise from the current 60 percent FPL to 100 percent. The new fee also will allow the state in 2012 to expand Medicaid eligibility to childless adults and set up a Medicaid buy-in program to allow those with disabilities to work and receive Medicaid benefits.

9. VERMONT LIKELY TO ENACT UNIVERSAL HEALTH CARE BILL

In Vermont, a state with more than 90 percent of residents insured, both chambers of the Democratic-controlled General Assembly passed different versions of a measure ([SB 88](#)) to establish universal health care access in the state. The original version of the bill, passed by the Senate, calls for the eventual establishment of a single-payer system. The House amended the bill, replacing the single-payer system with a public option, which would allow the state to create a health insurance program to compete with private payers. Legislators currently are working out the details in a conference committee. Governor Jim Douglas (R) has not yet indicated whether he will sign either version of the bill if it reaches his desk. The governor supports certain cost-containing provisions of the legislation but does not approve of either measure in its entirety because the state could not pursue such plans until 2017 as required by the new federal health care law.

10. NHSC WILL AWARD 125 PRIMARY CARE SCHOLARSHIPS FOR 2010

The National Health Service Corps announced its 2010 Scholarship Program. In return for a commitment to service in the NHSC for two to four years upon completion of their training, NHSC scholarship winners receive payment for tuition, fees and reasonable expenses and a monthly stipend. The program is open to U.S. citizens or U.S. nationals who are full-time students in an accredited allopathic or osteopathic medical school. Applications are due by 5:00pm EDT on June 1, 2010. More information is available on the NHSC website at <http://www.nhsc.hrsa.gov/scholarship/>.