

February 11, 2011

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### NEXT WEEK IN WASHINGTON...

\* **Speaker** John Boehner (R-OH) announced that the House will debate the fiscal 2011 spending bill next week.

\* On February 15, the Senate Finance Committee will hold one of a series of hearings on the federal budget for FY 2012; this one will focus on the Department of Health and Human Services, and Secretary Sebelius is scheduled to testify.

\* On February 16, the House Judiciary Committee will examine constitutional questions related to the health reform law.

\* On February 16, the House Ways and Means Committee will hold a hearing on the federal budget for FY 2012 and the Department of Health and Human Services. Secretary Sebelius is scheduled to testify.

## 1. AAFP LEADERS TAKE OUR MESSAGE DIRECTLY TO CONGRESS

On February 8, AAFP President Roland Goertz, MD; President-elect Glenn Stream, MD; Board Chair Lori Heim, MD; and Executive Vice President Doug Henley MD were in Washington, DC to promote key Medicare payment reform issues including the primary care differential payment and physician workforce development. They met with the following opinion leaders, legislators and key staffers:

- Rep. Bill Flores (R-TX) who serves on the Budget Committee
- Rep. Jim McDermott, MD (D-WA) who serves on the Ways and Means Committee
- Rep. Nan Hayworth, MD (R-NY), who is a member of the Physicians' Caucus of the House of Representatives and in line to become a member of the Ways and Means Committee
- Rep. Wally Herger (R-CA), Chairman, Ways and Means Health Subcommittee

In addition, they met with staff for Speaker Boehner (R-OH), as well as staff for several members of the Ways and Means Health Subcommittee and Rep. Kevin Yoder (R-KS) who serves on the House Appropriations Committee and who represents the Congressional District in which the AAFP headquarters is located.

## **2. DR. HEIM PARTICIPATES IN NATIONAL CONFERENCE CALL WITH FIRST LADY**

AAFP Board Chair Dr. Lori Heim was a featured speaker on a conference call with First Lady Michelle Obama to mark the first anniversary of the Let's Move campaign to address childhood obesity. The First Lady, the Surgeon General, and the President of the American Academy of Pediatrics also spoke. The First Lady noted the importance of primary care physicians in the fight against childhood obesity, thanked the AAFP and the AAP for their efforts to educate their members and patients about healthy living and healthy choices, and urged physicians to stay involved in their communities to promote the adoption of healthy lifestyles. Dr. Heim spoke of the AAFP's efforts to address obesity, mentioning the AIM-HI program, the importance of measuring BMI during physical exams, and the Ready, Set, FIT education program for schools. Dr. Heim also talked about how the AAFP web site will have a link to the Let's Move pledge so that physicians can pledge to measure BMI and counsel their patients on good nutrition and healthy choices. The link to the Let's Move pledge is now up on the AAFP web site home page.

## **3. MEDICARE WILL SOON BEGIN REPROCESSING CERTAIN 2010 CLAIMS**

In direct response to a December 10 [letter](#) that the AAFP sent in partnership with 107 other state and national associations, the Centers for Medicare & Medicaid Services (CMS) made a February 8 [announcement](#) pertaining to the reprocessing of certain 2010 Medicare claims that were affected by the *Affordable Care Act* and corrections made to the 2010 Medicare physician fee schedule. In the announcement, CMS indicated it will begin to reprocess these claims over the next several weeks and that the agency expects "that this reprocessing effort will take some time and will vary depending upon the claim-type, the volume, and each individual Medicare claims administration contractor." The agency also indicated that in the majority of cases, physicians "will not have to request adjustments because [their] Medicare claims administration contractor will automatically reprocess [those] claims". However concerns remain that in a situation where the submitted Medicare claim amount was lower than the revised payment rate, physicians will need to request an adjustment. CMS asks physicians to contact their Medicare Administration Contractor with any questions. The AAFP will continue to monitor this process.

## **4. HOUSE COMMITTEE HOLDS HEARING ON ACA, CMS ADMINISTRATOR TESTIFIES**

On Thursday February 10, the House Ways and Means Committee held a hearing to examine the effects of the *Affordable Care Act* (ACA) on Medicare beneficiaries. On two separate panels, CMS administrator Dr. Donald Berwick and CMS Chief Actuary Rick Foster appeared before the full committee.

In his testimony, Dr. Berwick stressed the benefits of the ACA to the Medicare beneficiaries including expanded benefits under the fee-for-service program, insurance reform provisions, quality, value and innovation initiatives and the move to create better health care for all which contains costs by reducing the rate of growth in health expenditures.

Republican members of the Committee asked about ACA cuts to Medicare and offered that these cuts would result in doctors dropping patients with Medicare and denying seniors choices in their health care. Dr. Berwick replied that the law will control medical costs, reduce waste and abuse, extend the solvency of the trust fund and provide security to seniors. He also praised the law for expanding preventive care, which he said would save money.

The Committee Chair, Rep. Dave Camp (R-MI), said Medicare actuaries predict the ACA's cuts will cause 725 hospitals, 2,352 nursing homes and 1,587 home health agencies to become

unprofitable. He added that “Three Pennsylvania hospitals have been put up for sale, and the drastic changes in the new health care law were cited as a factor in that decision,” a claim that was later disputed by Rep. Charlie Rangel (D-NY) who produced a letter from the Pennsylvania entities saying the ACA had nothing to do with the business decision.

Dr. Berwick stressed that the ACA is a bridge to a system in which people locked out of the insurance market can gain coverage and seniors can get affordable drugs and free preventive screenings. The law will provide tools to improve care and that it is a terrible mistake to think that the route to affordable treatment is to deny people care.

Many of the Democratic members of the Committee underscored the benefits of insurance reform, first-dollar coverage for preventive services, primary care bonuses, value-based purchasing and closing the Part D donut hole.

## **5. HOUSE COMMITTEE BEGINS WORK ON MEDICAL LIABILITY REFORM**

The House Judiciary Committee on February 9 began the process of considering legislation to overhaul medical malpractice liability insurance. The committee debate of the *Help, Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act* (HR 5) moved slowly through amendments but did not complete its consideration.

Two Republican Committee members from Texas, Reps. Ted Poe and Louie Gohmert, expressed concerns that the bill might override Texas’ medical liability reform law. Judiciary Committee Chairman Lamar Smith (R-TX) tried to assure his colleagues that their worries were not valid. Reps. Poe and Gohmert are expected to support tort reform once they are certain that Texas’ \$250,000 cap on pain and suffering damages will remain in place.

The Judiciary Committee Republicans easily defeated seven amendments offered by the panel’s Democrats to create exemptions to the bill, and the Democrats withdrew two others.

## **6. GRANTS ANNOUNCED FOR CHILDHOOD OBESITY DEMONSTRATION**

The *Affordable Care Act* appropriated \$25 million in funding for the Childhood Obesity Demonstration Program authorized under the Children’s Health Insurance Program Reauthorization Act (CHIPRA). On February 8, HHS announced the availability of funding for four grants not to exceed \$5.25 million each. The objective of the demonstration is to determine whether an integrated model of primary care and public health approaches in the community can improve underserved children’s risk factors for obesity. These approaches may include policy, systems, and environmental supports that encourage nutrition and physical activity for underserved children and their families. For more information, refer to the [Childhood Obesity Research Demo Announcement](#). A teleconference with further details will be held **February 16, 4:00 - 5:45 pm EST**, letters of intent are due **February 22**, and applications are due by **April 8**. Grant eligibility is unrestricted, so grantees can include states, universities, FQHCs and non-profits. Three grantees will run the demonstration projects, and one will run the evaluation center.

## **7. HHS ANNOUNCES \$750 MILLION MORE FOR PREVENTION, PUBLIC HEALTH**

On February 9, the U.S. Department of Health & Human Services (HHS) [announced](#) an additional \$750 million investment in prevention and public health. These funds come from the *Affordable Care Act*’s Prevention and Public Health Fund and are on top of the \$500 million provided last year. According to HHS, these funds will be used for the prevention of “tobacco use, obesity, heart disease, stroke, and cancer; increase immunizations; and empower individuals and communities with tools and resources for local prevention and health initiatives.”

## 8. FUNDS TO HELP CRITICAL ACCESS HOSPITALS ADOPT HIT

On February 9, the U.S. Department of Health & Human Services (HHS) [announced](#) an additional \$12 million more for regional extension centers to assist rural critical access hospitals become “meaningful users” of electronic health records in order to earn both the Medicare and Medicaid incentive payments. This statement follows a September release of \$20 million from HHS to help critical access and rural hospitals transition to the use of electronic health records.

## 9. REGULATORY UPDATE

- [Nominations](#) to serve on the Medicare Payment Advisory Commission (MedPAC) will be accepted by the Government Accountability Office (GAO) until March 7, 2011.
- HHS released a [proposed regulation](#) pertaining to the Affordable Care Act provision that ensures students enrolled in health insurance coverage through their college or university benefit from critical consumer protections.
- The U.S. Department of Health & Human Services’ Office of Inspector General recently released the [Roadmap for New Physicians: Avoiding Medicare and Medicaid Fraud and Abuse](#).
- The Centers for Medicare & Medicaid Services will conduct a free national conference call on the Medicaid electronic health record incentive program. This call will take place February 18 from 1:00 - 2:30pm EST. [Registration](#) is required and [materials](#) will be available on CMS website prior to the call.
- The Centers for Medicare & Medicaid Services will conduct an outreach conference [call](#) on February 24 from 1:30-3:00pm EST titled, “Designing A Home Health Value-Based Purchasing Program.” To participate, dial 1-800-837-1935 and reference conference 37941789.

## 10. INDIANA AFP PAST PRESIDENT TESTIFIES AGAINST PRESCRIPTION BILL

The Indiana House Committee on Public Health held a hearing on February 9 on a bill ([HB 1030](#)) requiring a prescription for any medication containing pseudoephedrine or ephedrine. Richard Feldman, MD, a past President of the **Indiana Academy of Family Physicians** and current chair of the IN AFP’s Commission on Legislation, testified in opposition to the legislation. Dr. Feldman—who is a member of the AAFP Commission on the Health of the Public and served as the state health commissioner—explained that requiring families on limited budgets to go to the doctor to get such prescriptions would be too costly and burdensome. Describing his own experiences as a family physician, Dr. Feldman expressed concerns over easy access to prescriptions and consequences of misuse. Because medicines with pseudoephedrine have no equivalent for treating symptoms of sinus infections, colds and allergies, a law like this could affect millions of individuals. Dr. Feldman encouraged lawmakers to consider creating a tracking program.

## 11. CONNECTICUT PLANS FOR MEDICAID ORGANIZATIONAL CHANGES

Connecticut Governor Daniel Malloy (D) [announced](#) plans for sweeping, cost-saving changes in the organization of state health care programs for nearly 600,000 residents. The goal of the health care changes includes reduced overhead costs, improved service delivery and readiness for national health care reform. The move to a self-insured ‘administrative services organization’ (ASO) format means the state will no longer pay outside firms to assume the financial risk for the cost of a medical claim, but will instead directly pay providers for patients’ care.

## 12. FamMedPAC BOARD MEETS, FIRST EVENTS ATTENDED

The FamMedPAC Board of Directors held their first meeting of the 2012 election cycle. The Board approved the contribution budget for the cycle, focusing on members of key House and Senate Committees, leadership of both chambers, and the Senators and Representatives of

members of the PAC Board, AAFP Board, and CGA. The total contribution budget is just under \$1 million. The PAC has received almost \$80,000 in donations since the first of the year.

Staff attended the following events this week:

- A reception sponsored by physician organizations for **Rep. Robert Latta** (R-OH), a new member of the House Energy & Commerce Health Subcommittee. Rep. Latta has a brother-in-law and sister-in-law who both are family physicians. He said that his priority is to pass medical liability reform. Beyond that, Rep. Latta said his goals are to repeal health care reform; defund it; get rid of Medicare's Independent Payment Advisory Board and generally "get the government out of health care."
- A reception also sponsored by the physician organizations for **Rep. Leonard Lance** (R-NJ), a new member of the Energy & Commerce Health Subcommittee. His health priorities were fixing the SGR and reforming medical liability.
- A reception for the National Republican Congressional Committee, which was sponsored by physician organizations. **Rep. Michael Burgess** (R-TX), a physician and member of the Energy and Commerce Health Subcommittee, **Rep. Bill Cassidy** (R-LA), also a physician and member of the Energy and Commerce Health Subcommittee, and **Rep. Greg Walden** (R-OR), a member of the full Energy and Commerce Committee attended. The discussion focused on the SGR. All the legislators talked about how difficult it would be to find a way to pay for a "fix" to the SGR, but that the House leadership was committed to addressing the problem.
- A reception sponsored by physician organizations for **Rep. Eric Paulsen** (R-MN), a member of the House Ways and Means Committee. Rep. Paulsen spoke about the *Affordable Care Act* and how he favored refining certain aspects of the legislation, but not a full repeal. He also spoke about the SGR and the difficulty in paying for a permanent fix.