

October 14, 2011

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### NEXT WEEK IN WASHINGTON...

- \* On Monday, October 17, the House Veterans' Affairs Subcommittee on Health will conduct a roundtable discussion on innovative private-sector technologies to improve patient safety.
- \* The Senate is scheduled to begin debate on fiscal year 2012 appropriations for the Food and Drug Administration

## 1. TODAY IS DEADLINE FOR SUGGESTIONS TO DEFICIT COMMITTEE

Congressional committees today reach a deadline to deliver savings suggestions to the special deficit committee. Various groups of lawmakers and stakeholders have weighed in with many suggestions over the past few weeks. House Democrats forwarded a batch of suggestions on Thursday. Rep. Henry Waxman (D-CA), who is the senior Democrat on the House Energy and Commerce Committee, submitted a [letter](#) that urged the panel to quantify cost savings of the health law, avoid changes and cost shifting in Medicare and Medicaid, implement dual eligible drug discounts and eliminate generic drug marketing payments. He also suggested a permanent fix for the Medicare physician payment formula.

In addition, Rep. Waxman joined Senator Tom Harkin (D-IA), who chairs the Senate Health, Education, Labor and Pensions Committee, in a letter urging that preventive care spending be spared in a deficit reduction plan.

Ways and Means Democrats submitted a [letter](#) that concentrated mostly on job creation and tax reforms, but included a section on health care provisions, which mostly involved supporting the *Affordable Care Act*. However, they did discuss the need for finding savings in the Medicare program and the legislators noted that, "Any new Medicare savings should first be used to strengthen the program by extending expiring provisions and by permanently reforming the physician payment system to ensure continued access to care."

Meanwhile, the Senate Finance Committee's Republican members submitted 21 pages of [recommendations](#). For Medicare Part B, they recommended that the Joint Select Committee "examine current Part B cost-sharing thresholds..."

## **2. AAFP GRASSROOTS TELL FAMILY PHYSICIANS' STORIES**

On Friday, October 14, an email blast was sent to 33,000 AAFP members encouraging them to submit personal stories about their practice and training experiences. The members were asked to talk about what would happen to their practices should an almost 30 percent Medicare payment cut take effect or what would happen with their should federal graduate medical education funding be decreased. These stories will be used to frame the grassroots' campaigns issues in the weeks to come.

## **3. SENATE SELECT COMMITTEE ON AGING HOLDS HEARING ON MEDICARE REFORM**

Senate Select Committee on Aging convened a hearing on Wednesday, October 12 to examine the Medicare program. Senator Herb Kohl, (D-WI), who chairs the committee, opened the hearing, titled "Finding Consensus in the Medicare Reform Debate," by indicating that the hearing was really the idea of the senior Republican member of the committee, Senator Bob Corker (R-TN), who would chair this hearing. The witnesses were:

- Maya MacGuineas, President, Committee for a Responsible Federal Budget;
- Joseph Antos, scholar in health care and retirement policy, American Enterprise Institute;
- John Holahan, director, Urban Institute Health Policy Research Center; and
- Douglas Holtz-Eakin, president, American Action Forum, and former director, Congressional Budget Office.

Senator Corker pointed out that Medicare has \$38 trillion in unfunded liabilities. He is urging the Joint Select Committee on Deficit Reduction to find \$4 trillion in savings and not settle for \$1.2 trillion. He also stressed that fixing Medicare requires eliminating fee for service.

Senator Saxby Chambliss (R-GA) asked the witnesses to describe ways by which Medicare could get the beneficiaries to have more skin in the game and the panel members described increased cost-sharing and premium support. "Going to the doctor should not be a past-time," said MacGuineas. Sen. Chambliss agreed, saying, "The attitude now is entitlement; the government will take care of me."

Chambliss also stressed that the SGR must be fixed (patched) for at least 10 years. Holtz-Eakin stated that patients will suffer if it is not fixed. And he urged the committee to acknowledge the reality; since Congress has always prevented the cuts (and will continue to do so always), it will cost the government one way or the other.

Sen. Corker asked if the health insurance exchanges that are being developed could be useful tools. Mr. Antos stated that economists agree that this is a sound concept and pointed to the Federal Employees Health Benefits Program as an example. Ms. MacGuineas also expressed support for exchanges and said if used in Medicare, we could then have a serious discussion about raising the eligibility age. And it would also open the door to competitive bidding. Holtz-Eakin emphasized that well-run exchanges can help provider networks remain intact especially if the exchanges provide insurance across several programs.

Sen. Corker also asked how to reform the SGR so that it works. Holtz-Eakin replied, "You don't. You must go to premium support." Mr. Holahan expressed doubt that it can be fixed but stressed that doctors need to be given a reasonable annual increase. And he repeated his doubt about privatization, unless traditional Medicare is allowed to compete with the private insurers. Mr. Antos said: "Give competition a fair test."

Senator Corker summarized his conclusions:

- Increased cost sharing is “low hanging fruit” and poor people and those with poorer health should be subsidized.
- MediGap encourages overutilization and should be reformed.
- Means testing is a small part of the solution but should be instituted. It will not turn Medicare into a welfare system. Medicare is already progressive by its nature as we pay more for the more use. It is unfair to the next generation if we don't fix it.
- We should adopt a single unified premium.
- Ways of providing more meaningful information on the consumer on cost and quality should be explored.

#### **4. SENATE PANEL EXAMINES CHRONIC DISEASE PREVENTION**

On October 12, the Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing entitled, "The State of Chronic Disease Prevention." Witness included Howard Koh, MD, MPH, from HHS; Nancy Brown, American Heart Association, John R. Seffrin, PhD, American Cancer Society, John Griffin Jr., JD, American Diabetes Association and Tevi Troy, PhD from the Hudson Institute.

In his testimony, Dr. Koh discussed the importance of public health and prevention activities in diseases such as heart disease, cancer, stroke and diabetes. He described the increase of chronic disease in the US, as well as the growth in health care costs that have ensued.

In her statement, Ms. Brown asserted that cardiovascular disease is the most expensive of the chronic diseases, consuming 17 percent of overall health costs. She described the AHA's recommendations for preventing cardiac illness: “regular physical activity, a heart healthy diet, no smoking, weight management and control of blood pressure, cholesterol and blood sugar,” as well as the AAFP-supported Million Hearts Initiative with its goal of preventing heart attacks and strokes. Dr. Seffrin's message was similar: He stated that rates of cancer and other non-communicable were responsible for more deaths than all other causes combined and that “prevention is the cure.” Mr. Griffin focused primarily on Type II diabetes, which represents 90-95 percent of all cases. He discussed the significant national expense of the disease in dollars, productivity and other associated costs and also described the success of the National Diabetes Prevention Program. Finally, former Deputy Secretary Troy, who served in the Bush Administration, acknowledged the importance of prevention in obesity efforts.

#### **5. FamMedPAC SUPPORTS KEY ENERGY AND COMMERCE MEMBER**

FamMedPAC attended a healthcare event this week for House Energy and Commerce Health Subcommittee member **Rep. Ed Towns (D-NY)**. The conversation focused on the Deficit Reduction Committee and the Medicare physician payment formula. Rep. Towns is not confident that the Committee will be able to reach an agreement by their mandated deadline. On SGR, he did not have any insight as to whether or not the Committee would include it in their proposal, but felt that a one-year “fix” was the most likely outcome.

#### **6. REGULATORY BRIEFS**

- On October 6, the Centers for Disease Control and Prevention issued the Healthy People 2010 final [report](#). It indicates that Americans met or made progress toward 71 percent of health goals for 2010; that the average life expectancy increased by one year to 77.8; and that death rates declined in female breast cancer, colorectal cancer, prostate cancer, coronary heart disease, stroke, cardiovascular disease, diabetes and HIV. However, the report also acknowledged that health disparities decreased for only 7 percent of the program's objectives, and obesity rates increased across all age groups.

- On October 6, the Health Research & Services Administration [awarded](#) a total of \$19.3 million to boost the physician and physician assistant primary care workforce. These awards include:
  - Residency Training in Primary Care (\$5.9 million);
  - Physician Assistant Training in Primary Care (\$2.3 million);
  - Physician Faculty Development in Primary Care (\$4.4 million);
  - Pre-doctoral Training in Primary Care (\$3.8 million); and
  - Academic Administrative Units in Primary Care (\$2.9 million).
- On October 7, the Institute of Medicine released a [report](#) to the U.S. Department of Health & Human Services containing recommended criteria and methods for determining and updating the essential health benefits (EHB) that will be offered by the state-based exchanges beginning in 2014. As specified in the *Affordable Care Act*, the IOM's goal was not to decide the contents of the EHB, but rather to propose a set of criteria and methods that should be used by HHS and the states in deciding what benefits are most important for coverage.
- On October 18 from 1:30-3pm ET, CMS will host a national call on the Physician Quality Reporting System & Electronic Prescribing Incentive Program. [Registration](#) is free and required.
- On October 12, HRSA [awarded](#) \$3.4 million to 19 programs aimed at improving services for children and youth with special health care needs. "The investments in these programs will work to improve the system of services for these children by expanding access to a medical home, enhancing care coordination, providing transition services for youth and building partnerships between families and professionals," said HRSA Administrator Mary Wakefield.
- On October 13, HHS [announced](#) that the number of participants in the National Health Service Corps (NHSC) has nearly tripled, totaling more than 10,000 National Corps doctors, nurses, and other healthcare providers. Due to the *Affordable Care Act*, the *American Recovery and Reinvestment Act*, and annual appropriations, the NHSC has awarded nearly \$900 million in scholarships and loan repayment to healthcare professionals to help expand the country's primary care workforce and meet the health care needs of communities across the country.
- On October 13, CMS [released](#) the "2011-2012 Immunizers' Question & Answer Guide to Medicare Part B & Medicaid Coverage of Seasonal Influenza and Pneumococcal Vaccinations" The CMS immunizations [website](#) also features a [mini-poster](#) in (English and Spanish) that reminds patients that flu vaccination are covered for Medicare beneficiaries and for children eligible for Medicaid and CHIP.
- November 1<sup>st</sup> is the deadline to request a hardship exemption in order for physicians and group practices to avoid the 2012 Medicare Electronic Prescribing (eRx) Incentive Program penalty. CMS recently created a related [document](#) and quick reference [guide](#) to help practices determine if they are subject to the 2012 eRx payment penalty.

## **7. HOUSE PASSES BAN ON FUNDS FOR HEALTH CARE PLANS COVERING ABORTION**

By a vote of 251-172, on Thursday, October 13, the House passed the *Protect Life Act* (HR 358) that would bar federal funding for abortion under the 2010 *Affordable Care Act*. The bill would amend the ACA to prohibit federal funds from being used to cover any part of the costs of any health plan that includes coverage of abortion services. (Currently, federal funds cannot be used for abortion services and plans receiving federal funds must keep federal funds segregated from any funds for abortion services.) The Obama administration issued a veto threat for the measure, though it stands virtually no chance of advancing in the Senate.