GOVERNMENT AFFAIRS WEEKLY

AAFP Division of Government Relations — 2021 Massachusetts Avenue, NW — Washington, DC 20036

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IN THIS REPORT…

NEXT WEEK IN WASHINGTON…

* On Tuesday, senior leadership from the AAFP, ACP, AOA, and ACS will meet with Congressional leaders regarding Medicare physician payments.
* Doug Elmendorf, Congressional Budget Office Director will testify on the economic outlook, to the House and Senate Budget Committees on Wednesday and Thursday respectively.

1. CONFERENCE ON FUTURE OF SGR GETS UNDERWAY, AAFP URGES ACTION

The House-Senate conference committee deliberating on the payroll tax cut, Medicare physician payment reforms and other issues met publicly for the first time on Tuesday, January 24 to work out a compromise on the *Temporary Payroll Tax Cut Continuation Act* (HR 3630). Each conferee made an opening statement displaying shared recognition that the stakes are high and bipartisan cooperation is needed to reach agreement in a timely manner. The American Academy of Family Physicians joined the AMA and other medical societies on Monday urging Congress to repeal the Medicare sustainable growth rate (SGR) formula and to use the expected savings from the Overseas Contingency Operations (OCO) to clear the accumulated costs associated with the SGR. The letter sent on January 23 to the payroll tax bill conferees called that offset for the SGR "the fiscally responsible thing to do." The temporary patch ends on March 1.

2. PRESIDENT CALLS ON CONGRESS TO PASS TAX AND SGR BILL

President Barack Obama used his State of the Union speech to call for economic equality based previewing his likely 2012 campaign message. However, he shed little light on how his budget request would treat key health spending. The President's address on January 24, pointed to the bill to extend the payroll tax cut and fix the SGR which expires at the end of February as Congress' "most immediate priority." The Office of Management and Budget will release the president's budget request on February 13.

3. AAFP SUBMITS COMMENTS ON ESSENTIAL HEALTH BENEFITS BULLETIN

On December 16, 2011, the Center for Consumer Information and Insurance Oversight (CCIIO), the office within CMS responsible for many of the private insurance reforms in the ACA, issued a bulletin outlining the approach the federal government intends to take in defining Essential Health Benefits (EHB). Non-grandfathered plans in the individual and small group markets both inside and outside of the Exchanges, Medicaid benchmark and benchmark-equivalent, and Basic Health Programs must cover the EHB beginning in 2014. The ACA requires that EHB include items and services in ten categories:

- ambulatory patient services
- emergency services
- hospitalization
- maternity and newborn care
- mental health and substance use disorder services, including behavioral health treatment
- prescription drugs
- rehabilitative and habilitative services and devices
- laboratory services
- preventive and wellness services and chronic disease management
- pediatric services, including oral and vision care.

In the bulletin, CCIIO indicated it intends to take a very flexible approach, giving states a range of options to use private sector plans as "benchmarks," an approach similar to that used in the Children's Health Insurance Program.

AAFP commented to CCIIO that the agency must develop a stronger EHB than the one described, particularly in important areas such as preventive and wellness services and chronic disease management. The Academy encouraged CCIIO to include the patient-centered medical in the EHB, ensure that no financial barriers are erected between patients and primary care provided by or through the PCMH, and to close the loophole that would allow Medicaid and Basic Health Plans to not cover those primary care services the ACA requires of private plans.

The AAFP encouraged CCIIO to ensure that formulary design be patient-centered, fiscally responsible and evidence-based. AAFP also asked the agency to consider including in an anticipated proposed rule a broad definition of covered services and statutory requirements that will protect patients and physicians access to treatments. Additionally, the Academy recommended an inclusive EHB that, instead of explicitly stating those benefits inside the package, adopts a list of those benefits specifically excluded from the package. The methodology for specific exclusions should be centered on the patient, based in scientific evidence and conformed to practice standards.

4. NON-FACE-TO-FACE SALE OF TOBACCO PRODUCTS RAISES CONCERNS

In a coalition letter sent January 19, the AAFP and other national medical organizations provided comments to the Food and Drug Administration about how non-face-to-face sale and distribution practices for cigarettes and smokeless tobacco will change due to the *Prevent All Cigarette Trafficking Act*, which impacts the advertising, promotion and marketing of tobacco products sold or distributed through non-face-to-face transactions.

5. PCORI ANNOUNCES RESEARCH AGENDA, BILL PROPOSES END TO INSTITUTE

On Monday, January 23, the Patient-Centered Outcomes Research Institute (PCORI) released the National Priorities for Research and Research Agenda and invited public comments. PCORI was created by the ACA to fund research that will give patients, caregivers, and clinicians more information to support health care decisions.

On January 25, Rep. Brett Guthrie (R-KY) introduced HR 3827, a bill to "repeal the Patient-Centered Outcomes Research program and comparative effectiveness research funding." All unobligated funding would be redirected to efforts to reduce the budget deficit. The measure is cosponsored by the author of the AAFP-supported GME legislation, Rep. Cathy McMorris-Rodgers and has been referred to the Energy and Commerce Committee. AAFP has been a long-time supporter of comparative effectiveness research. The bill is one of several aimed to repeal health reform.

6. FAMMEDPAC ADVOCATES FAMILY MEDICINE

Government Relations staff participated in discussion on Wednesday, January 18, with Sen. Olympia Snowe (R-ME) who, now in her third term, serves on the Senate Finance Committee. The Senator indicated that she had heard recently about primary care GME and said that she would consider our GME Pilot initiative.

7. FEDERAL REGULATORY BRIEFS:

- On January 20, the Department of Health & Human Services (HHS) announced that nonprofit employers who, based on religious beliefs, do not currently provide contraceptive coverage in their insurance plan will have until August 2013 to comply with an *Affordable Care Act* requirement that non-grandfathered health plans cover women's preventive services recommended by the Health Resources and Services Administration without cost-sharing.
- On January 18, the Congressional Budget Office released a report regarding Medicare demonstration projects on disease management, care coordination, and value-based payment. The report found that most Medicare demonstrations designed to enhance health care quality and improve efficiency have not yet reduced Medicare spending. The report focused on CMS efforts prior to passage of the *Affordable Care Act*, which significantly expanded CMS's ability to conduct innovative payment experiments through the Center for Medicare & Medicaid Innovation.
- On January 25, the Government Accountability Office released the report: "Defense Health: Coordinating Authority Needed for Psychological Health and Traumatic Brain Injury Activities." It recommends that the Defense Department revisit the role as a coordinating authority for issues of psychological health and traumatic brain injury.
- On January 26, the Center for Medicare & Medicaid Innovation held the Care Innovations Summit. As part of this summit, CMS released a report describing the work of the Innovation Center during its first year in operation. It includes a reference chart of initiatives undertaken by CMS.
- Also on January 26 the National Coordinator for Health Information Technology announced the Discharge Follow-Up Appointment Care Transitions Challenge. It is designed to spur innovations in HIT and empower patients and caregivers to better navigate and manage a transition from a hospital.

8. KANSAS AFP PRESIDENT TESTIFIES TWICE IN FIVE DAYS

On Wednesday, January 18, Dr. Deb Clements, president of the **Kansas AFP**, presented testimony to the Kansas House of Representatives Health and Human Services Committee in opposition to HB 2094, a bill that would loosen child immunization requirements. Current Kansas law allows exemptions for religious and medical reasons from the immunizations required prior to enrollment in public and private school, as well as childcare facilities. The legislation under consideration would add "personal beliefs" to the list of exemptions. Seven supporters of the bill also spoke during the hearing and were countered by a dozen opponents from the public health community.

Dr. Clements returned to the Capitol on Monday, January 23, offering testimony to the same committee in opposition to HB 2159, a bill to allow direct access to physical therapists. In her remarks, she stressed that PT direct access would lead to further fragmentation of care and would work against the medical home.

9. INDIANA AFP-SUPPORTED CLEAN INDOOR AIR MEASURES MOVE FORWARD

Clean indoor air measures supported by the **Indiana AFP** moved forward at the state and local levels in the past week. On Thursday, January 12, the Indiana House of Representatives Public Health Committee approved on a 9-3 vote a measure, HB 1149, to prohibit smoking in public places, enclosed areas of a place of employment, certain state vehicles, and within 12 feet of a public entrance to a public place or an enclosed area of a place of employment. Smoking would still be permitted in certain gaming facilities, cigar and hookah bars, fraternal, social, and veterans clubs, and tobacco stores, but only if certain requirements are met. Meanwhile, on Wednesday, January 18, the Indianapolis City-County Council Rules & Public Policy Committee passed a clean indoor air measure, Proposal 18, on a 5-3 vote. HB 1149 awaits a vote by the full House, while the Indy Council will consider Proposal 18 on January 30.

10. FLORIDA AFP URGES FAMILY DOCS TO OPPOSE LICENSE RESTRICTION MEASURE

The **Florida AFP** issued a Speak Out alert this week urging members to oppose HB 1143. This bill would authorize the Florida Department of Health to issue an Emergency Suspension Order for the license of a doctor under investigation for homicide or controlled substances violations. While the FAFP agrees that DOH must be able to act swiftly when physicians are found guilty of breaking the law, this bill would give DOH the ability to suspend, revoke or restrict a license without due process of law. As of January 19, 67 members contacted 45 state representatives.

11. VIRGINIA GENERAL ASSEMBLY SALUTES CHAPTER

This week the Virginia General Assembly passed a resolution honoring the **Virginia Academy of Family Physicians**. House Joint Resolution 175 was adopted, "as an expression of the General Assembly's appreciation for the vital role played by family physicians in Virginia's health care system." The resolution recognizes the VAFP as the largest specialty society in the Commonwealth and thanks family physicians for volunteering to care for members of the Assembly community at the Capitol as part of the chapter's long-standing "Family Physician of the Day" program.

12. MASSACHUSETTS MEDICAID SAVES MONEY THROUGH SMOKING CESSATION

A recent study conducted by researchers at George Washington University indicates that Massachusetts Medicaid saves nearly $3 in hospitalization costs for every $1 it invested in a new smoking cessation program. During the initial 16 month period, from 2007-2009, the program cost $183 per patient for counseling and treatment. Meanwhile, the state saved nearly $571 per patient through decreased hospital use. The Massachusetts Tobacco Control and Prevention Program produced an almost 50 percent drop in cardiac-related hospitalizations among participating patients. Overall, the program saved the state nearly $15 million.