

March 22, 2013

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### NEXT WEEK IN WASHINGTON...

- \* The House and Senate will recess until April 9.
- \* The White House is expected to release the President's budget after April 8.

### 1. CONGRESS CLEARS FY 2013 SPENDING BILL, RETAINS SEQUESTER CUTS

The House of Representatives on March 21 approved the *Full-Year Continuing Appropriations Act* (HR 933) on a vote of 318 to 109 to fund most federal programs through September 30. House passage sends the bill to the President who is expected to sign it and prevent a government shutdown. The current continuing resolution expires March 27. The Senate had amended and approved the bill on March 20, by a vote of 73 to 26.

The legislation continues Health and Human Services Department funding at FY 2012 levels subject to the 5.1 percent sequestration cuts.

### 2. AAFP SUBMITS HHS FY 2014 FUNDING PRIORITIES TO HOUSE COMMITTEE

The AAFP on March 15 submitted written [testimony](#) outlining our funding priorities for FY 2014 to the House Appropriations Subcommittee on Labor, Health and Human Services and Education. Under the regular budget process, the House and Senate Appropriations Subcommittees with jurisdiction over HHS will set discretionary funding levels for the HHS agencies and programs.

### 3. HOUSE PASSES ITS BUDGET PROPOSAL, SENATE BUDGET WORK CONTINUES

On March 21, the House passed the budget plan offered by House Budget Committee Chairman Paul Ryan (R-WI) to establish the federal government's budget for FY 2014 and set appropriate budgetary levels for fiscal years 2015 through 2023. On a largely partisan vote of 221 to 207, H. Con. Res. 25 became the budget which the House will use to DIRECT their activities on entitlement reform and the annual appropriations process for fiscal year 2014. The House Republican budget would reduce discretionary spending below current levels.

The House-passed [Path to Prosperity](#) plan would repeal the *Affordable Care Act's* Medicaid expansion and health insurance exchanges. It also would restrain the federal expenditure on Medicare by establishing a Medicare exchange beginning in 2024 for individuals 65 or younger who will choose between private plans and the traditional fee-for-service option with Medicare providing a premium-support subsidy.

The Senate budget plan, [Foundation for Growth](#), introduced by Senate Budget Committee Chairman Patty Murray (D-WA), preserves Medicare and the *Affordable Care Act* in their current forms, but would cut \$275 billion in health spending. Debate on the Senate budget resolution is now underway and may continue into Saturday, March 23.

Both the House and Senate budget resolutions include provisions for a deficit-neutral reserve fund for amending or superseding the Medicare Sustainable Growth Rate (SGR). However, only the Senate version designates funds to pay for the repeal of the SGR.

#### **4. ENERGY & COMMERCE HEALTH SUBCOMMITTEE LOOKS AT ENTITLEMENT CRISIS**

The Health Subcommittee of the Energy and Commerce Committee held a hearing entitled, "Saving Seniors and Our Most Vulnerable Citizens from an Entitlement Crisis" on March 18. The witnesses – James Capretta from Ethics and Public Policy Center, Joshua Archambault, Director, Health Care Policy and Program Manager, Pioneer Institute and Judy Feder, PhD of the Georgetown Public Policy Institute – were characterized by the Subcommittee as key experts on the fiscal landscape for Medicare and Medicaid. The hearing focused on why improving the fiscal health and sustainability of Medicare and Medicaid is critical to improving the level of access to quality care for the growing number of seniors and most vulnerable citizens that depend on these programs.

The Subcommittee Chairman, Rep. Joe Pitts (R-PA), stated that if the government approves expansion of Medicaid then 1 in every 4 people in his home state of Pennsylvania will be enrolled and that the cost will be unsustainable.

#### **5. HEALTH SUBCOMMITTEE HOLDS ADVANCES IN MOBILE MEDICAL APPS**

On March 20, the Health Subcommittee of the House Energy and Commerce Committee looked at how innovative medical technologies can benefit patients and what steps should be taken to foster innovation and growth. Subcommittee Chairman Rep. Joe Pitts (R-PA) pointed out that there are now mobile medical apps for wireless thermometers, apps that calculate body mass and apps that tell a runner how many miles the person jogged. These apps can range from the complex like mobile cardiac outpatient telemetry that uses wireless sensors to those that allow users to count calories. These technologies hold great potential for patients and for providers.

The Food and Drug Administration (FDA) last July proposed regulating medical applications. This month Energy and Commerce Committee leadership wrote to the FDA Commissioner, Dr. Margaret Hamburg, to request more information on whether she intends to regulate smartphones, tablets and mobile apps and whether it would trigger the 2.3-percent medical device tax included in the *Affordable Care Act*. This hearing was a follow-up to that letter. Jim Bialick, Executive Director of the Newborn Coalition and a witness, provided examples of how lives are being changed through the application of these new technologies. He reminded the panel that not everyone is born in a city center so access to some of the remote home monitoring devices can be very important. Jacqueline Mitus, MD of McKesson Health Solutions, explained that regulations are already failing to keep up with innovation and applying medical device regulations to health IT would hamper the growth in health technology.

## 6. SENATE FINANCE HEARING QUESTIONS PROGRESS OF CMS INNOVATION CENTER

On March 20, 2013, the United States Senate Committee on Finance held a [hearing](#) titled "Reforming the Delivery System: The Center for Medicare and Medicaid Innovation." Senators from both sides of the dais asked the sole witness, Richard J. Gilfillan, MD, Director of the CMS Center for Medicare and Medicaid Innovation (CMMI) about the center's efforts and the timing for when Congress can expect results on any one of several innovative health care payment models that the agency is currently testing. In his [testimony](#), Dr. Gilfillan, who is a family physician, discussed the various CMMI initiatives, including the Comprehensive Primary Care Initiative, and indicated initial results are optimistic but it could take several years to confirm their findings before any one payment model is scaled up onto a national level.

## 7. MEDPAC SEND ANNUAL REPORT TO CONGRESS

As expected annually, on March 15 the Medicare Payment Advisory Commission (MedPAC) issued a [report](#) to Congress detailing fee-for-service payment recommendations for 2014. As part of this report, MedPAC issued a [fact sheet](#) which states that,

*The Congress should repeal the sustainable growth rate (SGR) system and replace it with a 10-year path of statutory fee-schedule updates. This path is comprised of a freeze in current payment levels for primary care and, for all other services, annual payment reductions followed by a freeze. The Commission is offering a list of options for the Congress to consider if it decides to offset the cost of repealing the SGR system within the Medicare program.*

## 8. FamMedPAC WRAPS UP BUSY FIRST QUARTER

The first three months of 2013 saw FamMedPAC contribute \$148,000 to 41 candidates and committees, while bringing in over \$128,000 in donations from almost 600 AAFP members. The PAC continues to raise the visibility of AAFP in Washington, DC while promoting payment reform and GME reforms that will grow primary care and family medicine. The PAC supported events for the following Members of Congress this week:

- **Rep. Allyson Schwartz (D-PA)**, who serves on the House Ways and Means Committee, is the lead sponsor of legislation, supported by the AAFP, that would eliminate the Medicare SGR physician payment formula.
- **Rep. Mike Honda (D-CA)** is a member of the House Appropriations Committee.
- **Rep. Jim Matheson (D-UT)** is a member of the Health Subcommittee of the House Energy and Commerce Committee.
- **Rep. Lloyd Doggett (D-TX)**, whose daughter is a family physician, serves on the House Ways and Means Committee.
- **Rep. Cathy McMorris Rodgers (R-WA)**, who serves on the House Energy and Commerce Committee, is the lead sponsor of legislation, supported by AAFP, that would create a GME demonstration project for primary care.
- **National Republican Congressional Committee (NRCC)** is the campaign committee for House Republicans and the AAFP shared a table at the NRCC's spring dinner with several other medical specialty societies.
- **Rep. Bill Cassidy (R-LA)** is a physician who serves on the Health Subcommittee of the House Energy and Commerce Committee.
- **Rep. Jim McDermott (D-WA)** is a psychiatrist who is the senior Democrat on the Health Subcommittee of the House Ways and Means Committee.

## 9. CMS HEALTH INSURANCE MARKETPLACE CALL ENGAGES PROVIDERS

The Centers for Medicare and Medicaid Services (CMS) hosted a National Health Insurance Marketplace Stakeholder Call on Monday, March 18. The call featured a discussion panel including:

- **Cindy Mann, JD**, Director of the CMS Center for Medicaid and CHIP Services

- **Gary Cohen**, Director of the CMS Center for Consumer Information and Insurance Oversight (CCIO) at CMS
- **Julie Bataille**, Director of the CMS Office of Communications.

Panelists provided a brief overview of marketplace implementation across the country. To date, 17 states and the District of Columbia will operate state-based marketplaces and 7 states will operate partnership marketplaces. Marketplaces in all of these states have been conditionally approved, and CMS expressed confidence that each state will be fully operational for open enrollment in October 2013. The remaining 26 states will default to a federally facilitated marketplace. Gary Cohen emphasized that CMS is working with these states to ensure that federally facilitated marketplaces are developed and implemented successfully in time for the open enrollment period. Additional information on health insurance marketplace development and implementation can be found at [HealthCare.Gov](http://HealthCare.Gov).

#### **10. HILL BRIEFING ON CHILDHOOD OBESITY EMPHASIZES PRIMARY CARE**

The Congressional Task Force on Childhood Obesity and the Children's Hospital Association partnered with the U.S. Tennis Association to host a briefing, "Childhood Obesity: What Works?" The briefing featured a panel discussion with Ihuoma Eneli, MD, MS, Medical Director at the Center for Healthy Weight and Nutrition at Nationwide Children's Hospital in Columbus, Ohio, Michaela Koontz, MD, Assistant Professor in the Department of Pediatrics at Rainbow Babies and Children's Hospital in Cleveland, Ohio, and Terri Lakowski, of the U.S. Tennis Association.

The briefing focused on childhood obesity and highlighted the importance of primary care in both preventing and treating obesity in all age groups. Panelist repeatedly cited primary care providers as critical actors in lowering obesity rates, improving patient education, and ultimately decreasing the level of chronic disease related to obesity in the US.