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NEXT WEEK IN WASHINGTON...

- * The HRSA Advisory Committee on Training in Primary Care Medicine and Dentistry is meeting on May 20 and 21.
- * The House Ways and Means Health Subcommittee will hold a hearing on bipartisan proposals to reform Medicare on May 21 to review modifications to Medicare beneficiary cost-sharing.
- * The House Energy and Commerce Subcommittee on Oversight and Investigations will hold a hearing on May 22 examining SAMHSA's role in delivering services to the severely mentally ill.

1. RECORD NUMBER OF FMCC PARTICIPANTS HEAR FROM PHYSICIAN LEGISLATORS

Nearly 250 family physicians, students, educators and chapter staff met in Washington on Tuesday, May 14 and Wednesday, May 15 to learn about the AAFP's main federal advocacy issues. Three U.S. Representatives, all of whom are physicians, spoke to group. Rep. Ami Bera, MD (D-CA) provided a keynote address describing how his involvement in local medical issues and commitment to his patients led him to run for elective office. He emphasized the importance of family physicians, who are so involved in their local communities, taking part in the political process from both sides of the political aisle. Rep. Bill Cassidy, MD (R-LA) also urged family physicians to make their voices heard in Washington, especially as the health reform law goes into effect later this year. Finally, Rep. Joe Heck, DO (R-NV) reviewed the prospects for physician payment reform and his bipartisan legislative proposal.

The following day, Rep. Mike Thompson (D-CA) spoke to the Commission on Governmental Advocacy describing his efforts to promote his bipartisan legislation to enhance the prevention of gun violence.

2. SENATE FINANCE HOLDS SGR HEARING

The Senate Finance Committee held a hearing entitled "Advancing Reform: Medicare Physicians Payments" on Tuesday, May 14. The committee heard testimony from expert

witnesses on how to solve the Medicare SGR. Committee Chairman, Senator Max Baucus (D-MT) opened the hearing acknowledging that Congress must this year permanently repeal the SGR. The senior Republican, Senator Orrin Hatch (R-UT), agreed that the SGR system is fundamentally flawed and must be repealed. He noted that since 2003, Congress has made 15 short-term fixes to the SGR at a cost of nearly \$150 billion.

Also on Tuesday, the Congressional Budget Office (CBO) updated the ten-year price tag for preventing cuts to the Medicare payment formula which remains near a recent record low of \$139.1 billion. Providing a positive update of 1 percent through 2023 is estimated by CBO to cost \$177.7 billion.

Mark Miller, PhD, Executive Director of the Medicare Payment Advisory Commission (MedPAC) said that Medicare's payment and delivery systems need to move away from volume-driven structures to ones that focus on quality, coordination and accountability. He reminded the committee that MedPAC has provided Congress with a list of Medicare savings that could be used to offset the cost of repealing the SGR. Chairman Baucus asked about specialists' income relative to primary care physicians' and Dr. Miller replied that compensation is very distorted in the payment system now. He said that MedPAC views it as an equity issue which specialists must recognize and that if we put pressure on fee-for-service to get greater equity that will be an environment that specialists want to move away from, perhaps to an ACO where they can share in some of the savings.

Senator Maria Cantwell (D-WA) asked if savings from ACOs could be directed at graduate medical education (GME) so that we can increase the number of primary care physicians being trained. Although Dr. Miller replied that he had not thought about the issue in that way, he said that MedPAC had proposed suggesting that we use GME differently and direct them to graduate programs that are more focused on primary care, rural care, etc. to get accountability out of the GME dollars.

On Friday, May 10, Senator Baucus and Hatch sent a letter to the AAFP and others to ask for advice on improving the current fee-for-service system. The AAFP is preparing a reply.

3. HOUSE VOTES TO REPEAL OBAMACARE

On Thursday, May 16, the House voted to repeal the *Patient Protection and Affordable Care Act*. Two Democrats — Reps. Jim Matheson (Utah) and Mike McIntyre (NC) — sided with Republicans in the otherwise party-line vote of 229 to 195. This is the 37th time the Republican-controlled House has voted to repeal or defund at least part of the bill. It will not become law since the Democrats continue to control of the Senate and the White House.

4. HOUSE COMMITTEE REPORTS BILL AIMED AT SECURING DRUG SUPPLY CHAIN

The House Committee on Energy and Commerce advanced legislation aimed at securing America's prescription drug supply chain. HR 1919 was approved by a voice vote after attempts to amend the bill by Democrats concerned that the federal legislation might not be as strong as a number of state laws failed on party-line votes. The legislation, authored by Rep. Bob Latta (R-OH), would enhance the security of the pharmaceutical distribution supply chain while preventing duplicative federal and state requirements from burdening drug manufactures, wholesale distributors and pharmacies. The goal, shared by all committee members, is to secure the supply chain to help ensure that counterfeit and stolen drugs do not enter and cause harm to patients. In addition, members of the committee want to be sure that added regulation does not result in higher drug prices or potential drug shortages.

5. SENATE CONFIRMS TAVENNER TO LEAD CMS

Marilyn Tavenner was confirmed by the Senate to lead the Centers for Medicare and Medicaid Services on May 15 by a vote of 91 to 7. Tavenner, a former nurse, hospital executive, and state health official, is the first Senate-confirmed CMS administrator since 2004 when the Senate confirmed Dr. Mark B. McClellan who stepped down in October 2006.

6. HOUSE PLANS BIG CUTS IN LABOR, HHS AND EDUCATIONS SPENDING

As the House Appropriations Committee proceeds to debate the annual spending bills for the coming fiscal year, the legislators are planning to adopt next week new spending targets which could result in cuts to HHS programs of 26 percent below what was enacted in fiscal year 2010. The cuts to the annual allocation for the House Labor, Education and Health and Human Services Appropriations Subcommittee are meant to make it easier for House Appropriations Committee members to approve some of the other 12 annual spending bills by diverting resources to law enforcement, homeland security, and defense and veterans' programs.

Under these allocations, discretionary spending for the departments of Labor, Education and Health and Human Services would be capped at \$121.8 billion, about \$28 billion below the post-sequestration levels. These cuts, called for by the House Republican budget which increased domestic spending cuts above those envisioned in the 2011 *Budget Control Act* in order to offset the greater defense spending, will make it very difficult to secure the appropriation levels sought by the AAFP for our priorities within the Agency for Healthcare Research and Quality and the Health Resources and Services Administration.

7. FamMedPAC SETS NEW RECORD AT FMCC; SUPPORTS IMPORTANT LEGISLATORS

FamMedPAC was featured this week at the Family Medicine Congressional Conference in Washington, DC. AAFP members heard from PAC Board Chair Randy Wexler, MD, FAAFP, on the PAC's success in supporting AAFP federal legislative efforts. Over the two days of the Conference, the PAC collected more than \$10,500 in donations – a record for the FMCC. The PAC cosponsored the PAC/Grassroots reception for attendees, featuring a talk by Congressman, and Physician, Rep. Joe Heck (R-NV). During the week, the PAC supported the events for the following Members of Congress:

- **Sen. Mitch McConnell (R-KY)**; the Minority Leader in the Senate.
- **Rep. Kevin Brady (R-TX)**; the Chair of the House Ways and Means Health Subcommittee.
- **Rep. Sandy Levin (D-MI)**: the Ranking Member of the House Ways and Means Committee.

8. AAFP URGES RELIEF FROM DIABETIC SUPPLIES PRESCRIBING RULES

In a [letter](#) sent to the Centers for Medicare & Medicaid Services (CMS) on May 8, the AAFP urged CMS to work with the AAFP to reduce burdensome Medicare requirements associated with the prescribing of diabetic supplies. The AAFP expressed concern that some patients have difficulty in obtaining diabetic supplies which leads to poorer health outcomes for these patients.

On the other hand, the letter recognized that glucose testing and other diabetic supplies are an identified area of claims processing errors within the Medicare program and that physicians have a role to play in fraud prevention. As a way to reduce these burdens, the AAFP suggested that CMS allow a physician to write for "diabetic supplies" which would encompass syringes, needles, test strips, lancets, glucose testing machine, etc., with only a need to provide a diagnosis and an indication such a prescription is good for the patient's lifetime.

9. REGULATORY BRIEFS

- On May 14, Attorney General Eric Holder and Department of Health and Human Services (HHS) Secretary Kathleen Sebelius [announced](#) that the latest takedown by Medicare Fraud Strike Force operations in eight cities resulted in charges against 89 individuals, including doctors, nurses and other licensed medical professionals, for their alleged participation in Medicare fraud schemes involving approximately \$223 million in false billings.
- On May 15, CMS released a funding opportunity announcement for round two of the [Health Care Innovation Awards](#). Up to \$1 billion will be awarded to applicants from across the country who propose new payment and service delivery models that will deliver better care and lower costs for Medicare, Medicaid, and Children's Health Insurance Program (CHIP) enrollees. The second round of the Health Care Innovation Awards will support public and private organizations in four defined areas that have a high likelihood of driving health care system transformation and delivering better outcomes for Medicare, Medicaid, and CHIP beneficiaries. In this second round, CMS is specifically seeking new models in the following four categories:
 - Models that are designed to rapidly reduce Medicare, Medicaid, and/or CHIP costs in outpatient and/or post-acute settings.
 - Models that improve care for populations with specialized needs.
 - Models that test approaches for specific types of providers to transform their financial and clinical models.
 - Models that improve the health of populations – defined geographically (health of a community), clinically (health of those with specific diseases), or by socioeconomic class – through activities focused on engaging beneficiaries, and prevention (for example, prevention of diabetes, hypertension, and obesity), wellness, and comprehensive care that extend beyond the clinical service delivery setting.

Letters of intent to apply are due June 28, 2013 by 3:00pm ET. The application due date is August 15, 2013 by 3:00pm ET and CMS is expected to announce awards in late 2013 or early 2014.

10. WISCONSIN CHAPTER PROMOTES PRIMARY CARE AND TUITION ASSISTANCE

Wisconsin AFP (WAFP) members requested support from legislators to enact a service-based tuition assistance program to increase and retain the number of primary care physicians who practice in the state, especially in medically underserved regions. The proposed program would enhance primary care medicine and provide critical care for all Wisconsin residents.

11. PENNSYLVANIA CHAPTER ADVOCATES FOR PRIMARY CARE TEAMS

Members of the Pennsylvania AFP (PAFP) contacted their legislators to oppose SCO 989, which would remove collaborative practice requirements between advanced practice registered nurses (APRN) and physicians. PAFP members expressed their support for strong collaborative practice and patient-focused primary care teams.

12. UTAH HEALTH INSURANCE MARKETPLACE HYBRID MODEL MOVES FORWARD

HHS accepted a proposal from the state of Utah on May 10 that will allow the state to operate a small business health insurance marketplace while the federal government will lead the operations of the individual marketplace. Utah Governor Gary Herbert (R) stated that this model may be a viable fourth option for states looking for alternatives to the existing state-based, federally facilitated, and partnership marketplaces.