

May 24, 2013

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NEXT WEEK IN WASHINGTON...

* Congress is in recess until Monday, June 3.

1. HOUSE PANEL ADOPTS BIG CUTS IN LABOR, HHS AND EDUCATIONS SPENDING

The House Appropriations Committee on May 22 approved, by voice vote, an amended spending plan that would abide by the overall \$967 billion spending cap set by sequestration. The plan essentially protects defense, security and VA programs from cuts by imposing greater reductions on the allocation for health, education and labor programs. These cuts, called for by the House Republican budget which increased domestic spending cuts above those envisioned in the 2011 *Budget Control Act*, threaten 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 as well as other HHS agencies and activities. Democrats argued for a delay in approving plan until the House and Senate could reconcile their respective budget resolutions ([S Con Res 8](#), [H Con Res 25](#)).

2. AAFP PARTNERS WITH CDC ON TOBACCO CESSATION

AAFP President Jeff Cain, MD joined CDC Director Tom Frieden, MD, MPH and others on May 22 in Washington to kick off the new "Talk with Your Doctor" campaign to encourage smokers to ask a doctor for help. The campaign also encourages clinicians to ask patients if they smoke and offer assistance to help them quit. Through partnerships, doctors will be offered training on tobacco interventions, and will receive information about the campaign through academic journals, newsletters, and digital communications. In addition to the AAFP, campaign partners include the American Medical Association, the American Academy of Pediatrics, the American College of Physicians, and the American Congress of Obstetricians and Gynecologists.

3. HHS ADVISORY COMMITTEE DISCUSSES INTERPROFESSIONAL TRAINING

The Health Resources and Services Administration's (HRSA) Advisory Committee on Training in Primary Care Medicine and Dentistry met on May 20 and 21 to finalize its tenth report. This report focuses on Inter-Professional Education (IPE). The Committee is preparing to start work on the next report, which will address patient engagement and the behavior health skills needed in a transformed health care system. HRSA Administrator Mary Wakefield described the work of the Bureau of Health Professions as important to the changes coming to the health care system. She credited family medicine with coming to HRSA with a suggestion about how to contribute to appropriate faculty development by supporting assessment and competencies in primary care physicians' training.

Family physician Don Weaver, the Chief Medical Officer at National Association of Community Health Centers, led a discussion on Educational Health Centers and recommended replacing the old pipeline with a pathway which has more than one entry point. AAFP staff offered the only public comment to remind the Committee of the spending cuts to Health Professions Training Grants (Title VII Sections 747 and 748) and urged the agency to make a strong case for increased investment.

Patrice Eiff, MD, the Initiative Principal Investigator, Oregon Health and Science University, described the [Primary Care Faculty Development Initiative](#) for the Committee as a means to prepare faculty to train students and residents for transformed practices with the support of the three primary care disciplines.

4. HOUSE APPROVES GOP BILL ON STUDENT LOAN INTEREST RATES

On May 23, the House approved the *Smarter Solutions for Students Act* (HR 1911), which would change interest rates for all federal student and parent loans made on or after July 1, 2013, from a fixed rate to a variable one, adjusted annually, in an effort to shift the program to a market-based approach. The bill, adopted on a vote of 221 to 198, was based on a proposal in the President's FY 2014 budget request to peg interest rates to 10-year Treasury bill rather than by a statutorily set rate. Unlike the President's proposal, however, HR 1911 would allow rates to fluctuate with the market and be reset each year. Opponents of the bill want to eliminate uncertainty by setting rates on the Treasury's actual cost of borrowing and fixing them for the life of the loan. In a communication to Congress that included the threat of vetoing the bill, the White House said HR 1911 would burden students from lower-income families with potentially onerous rate increases.

The Democratic Senate is not expected to pass HR 1911 to address the doubling of the student loan interest rate. It may adopt the *Student Loan Affordability Act* (S 953) which would extend existing rates for loans made to undergraduates under the Federal Direct Stafford Loan program until June 30, 2015, and negotiate the differences with the House on this issue. However, Congress must act before July 1; otherwise, the interest rate is scheduled to double.

5. AAFP COMMENTS ON CHILD- TO ADULT- FOCUSED CARE TRANSITIONS

In a [letter](#) sent May 17, the AAFP, responded to the Agency for Healthcare Research and Quality's (AHRQ) request for measures and domains for the development of a standardized instrument for use in public reporting of the quality of transition from child- focused to adult-focused care in young adults with chronic conditions. The AAFP response discussed how the process of understanding and improving care transitions is closely tied to the successful adoption of the Patient Centered Medical Home which in itself is a transition away from a model of symptom and illness based episodic care to a system of comprehensive coordinated primary care for children, youth and adults. The letter indicates that the AAFP shares with AHRQ the goal of improving pediatric healthcare quality measures and developing assessment

instruments; however, the letter stated that the AAFP is currently not aware of any validated experience surveys exist that examine these adolescent experiences. Nevertheless, the AAFP response spoke of our efforts with the National Center for Healthcare Transition to develop instruments that provide family physicians with transition and transfer information.

6. CMS SHOULD EASE PRESCRIPTION REQUIREMENTS FOR DIABETIC SUPPLIES

In a [letter](#) sent May 9, the AAFP urged the Centers for Medicare & Medicaid Services (CMS) to simplify the current Medicare rules surrounding prescription of diabetic supplies in such a way that patients and physicians would benefit without compromising the integrity of the Medicare program. In particular the AAFP objected to the CMS requirement that new documentation must be obtained every six months if the patient regularly uses quantities of supplies that exceed the utilization guidelines. Since diabetes is a chronic disease with no known cure, the AAFP argued that patients with diabetes need glucose testing supplies for as long as they are able to care for themselves in their own home. The AAFP objected to requiring physicians to specify length of need for such equipment and supplies since it puts them in an untenable position of predicting a future that is not knowable. The AAFP urged CMS to 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.

7. PHARMACEUTICAL BILLS MOVE IN SENATE

The Senate Health, Education, Labor and Pension (HELP) Committee approved two pharmaceutical bills on May 22. The *Pharmaceutical Compounding Quality and Accountability Act* (S. 959), a bill with bipartisan support in the Committee, would establish a new category of large scale compounding manufacturers that would be subject to FDA regulation. In contrast, traditional compounding pharmacies will remain under the authority of state boards of pharmacy. The issue has been the subject of much debate in the Senate, and the version that was accepted this week is the work of both the Chairman of the Committee, Senator Tom Harkin (D-IA) and the senior Republican member, Senator Lamar Alexander (R-TN).

The second piece of legislation, S. 957, a "track and trace" bill would establish a system that would eventually be able to trace drug distribution to the "unit level" The FDA and consumer groups supported this provision to assist in locating drugs if recalls are needed and to prevent counterfeit products from being easily introduced into the downstream supply chain.

8. PCORI MEETS WITH PHYSICIAN ORGANIZATIONS TO DISCUSS ENGAGEMENT

The Patient Centered Outcomes Research Institute (PCORI) met this week with physician organizations to get feedback and input around how it might engage the members of the groups gathered. Topics included questions about how PCORI can best disseminate information, how the agency might be able to improve clinician engagement, and how to go about setting the research agenda. Subsequent dialogue indicated an interest in future conversations about guideline development, dissemination, advisory committees and funding opportunities.

9. FamMedPAC SUPPORTS KEY LEGISLATORS

FamMedPAC supported events for three important legislators this week. All three events were attended by representatives of the medical specialty societies in Washington, DC and focused on Medicare payment reform, graduate medical education and the outlook for healthcare legislation for the remainder of the year. The PAC attended events for the following legislators:

- **Sen. Dick Durbin (D-IL)**, who is the Assistant Majority Leader and member of the Senate Judiciary and Appropriations Committees
- **Rep. Rep. Ron Kind (D-WI)**, who is a member of the Health Subcommittee of the House Ways and Means Committee and the Chair of the New Democratic Coalition.
- **Sen. Harry Reid (D-NV)**, the Majority Leader of the Senate.

10. REGULATORY BRIEFS

- On May 17, CMS issued the final rule titled Pre-Existing Condition Insurance Plan (PCIP) Program Provider Payment. Under the *Affordable Care Act*, this interim final rule adjusts pre-existing condition insurance plan provider rates to reduce the rate of program expenditures. As part of this announcement CMS released the latest enrollment and expenditure [information](#) for the PCIP.
- Also on May 17, CMS released the [final rule](#) implementing the *Affordable Care Act* Medical Loss Ratio (MLR) requirements for Part C Medicare Advantage (MA) and Part D prescription drug plans. The final rule limits how much plans can spend on marketing, overhead, and profit. In a [letter](#) sent April 4, 2013, the AAFP supported the application of the MLR policy onto Part C and Part D plans.
- On May 22, the HHS announced that more than half of the country's eligible professionals received Medicare or Medicaid incentive payments for adopting or meaningfully using electronic health records (EHRs). As of the end of April 2013, more than 291,000 eligible professionals and over 3,800 eligible hospitals received incentive payments from the Medicare and Medicaid EHR Incentive Programs.
- The CMS Innovation Center will conduct a webinar on May 28, 2013 from 1:00 – 2:30pm ET to discuss round two of the Health Care Innovation Awards under which, CMS will spend up to \$1 billion for awards and evaluation of projects from across the country that test 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. [Registration](#) for this webinar is required.

11. CALIFORNIA REVEALS HEALTH INSURANCE MARKETPLACE RATES

The California state health insurance marketplace Covered California announced the 13 health plans that will sell their products in the competitive marketplace. Nearly three dozen plans submitted bids, and the 13 selected plans include large commercial plans like Anthem Blue Cross, Kaiser Permanente, and Blue Shield of California along with a number of regional and quasi-public health plans. The selected plans must have their premiums approved by state regulators. Notably, large commercial players United HealthCare, Cigna, and Aetna will not be selling plans on the California marketplace.

Rates will vary across plans based on their designated rating; i.e., Bronze, Silver, Gold, and Platinum levels. On average, a consumer who chooses a mid-level plan at the Bronze or Silver level can expect to pay about \$321 per month in premiums, which is nearly \$100 less than originally estimated by the Congressional Budget Office. This cost would be even lower for consumers eligible for subsidies through the marketplace.

12. LOUISIANA VOTES 'NO' ON ARKANSAS MODEL

Louisiana lawmakers voted against a bill on Tuesday, May 21 that would allow the state to pursue Medicaid expansion. [HB 233](#) followed provisions of the Arkansas Medicaid expansion model, which was approved by the HHS and allows the state to use federal Medicaid money to buy private insurance for low income people on the health insurance marketplaces.

13. IOWA PASSES HEALTH CARE LEGISLATION

Lawmakers in Iowa passed the Health and Wellness Plan late Thursday, May 23 before the 2013 legislative session came to a close. The plan comes after extended debate between Governor Terry Branstad (R), the Republican-led House of Representatives, and the Democrat-led Senate. Portions of the plan, which is considered a hybrid Medicaid expansion model, are subject to approval and a waiver from HHS.