

June 13, 2014

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NEXT WEEK IN WASHINGTON...

- * On June 18, the House Ways and Means Health Subcommittee will hold a hearing on the Medicare Payment Advisory Commission’s June report to the Congress.
- * On June 19, the Robert Graham Center will hold a forum on “Disruptive Innovations in Primary Care” in the U.S. Capitol Visitors Center.

1. LABOR-HHS SPENDING BILL APPROVED BY SENATE PANEL STALLS

The Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education approved Tuesday, June 10 a \$156.8 billion fiscal 2015 spending bill by voice vote. Full committee action on the draft bill had been set for Thursday but was postponed indefinitely. The draft bill would provide an increase in the Title VII Training in Primary Care Medicine program to \$40.9 million from the current level of \$36.8 million. The draft proposes to eliminate the Title VII diversity Centers of Excellence and Health Careers Opportunity Program (HCOP) as well as the faculty loan repayment program, providing \$234.2 million overall for the Title VII health professions programs which is \$11.2 million less than FY 2014.

The Senate subcommittee’s bill proposed an increase for the Agency for Healthcare Research and Quality (AHRQ) providing \$373.3 million in budget authority. In FY 2014, AHRQ is funded at \$371 million from both a tap on other agencies for \$231.4 million plus \$7 million from the Prevention and Public Health Fund. The draft bill also proposes to give a roughly 2 percent boost to the National Institutes of Health, adding \$605 million to bring it to nearly \$30.5 billion in FY 2015. The House has not scheduled any action on its version of the HHS spending bill.

2. HOUSE AND SENATE PASS BILLS REFORMING VETERANS AFFAIRS SYSTEM

Following allegations of manipulation of waiting time data, an internal review showed that more than 57,000 veterans are waiting nationwide to be scheduled for medical care. In response, on June 10 the U.S. House of Representatives passed [Veteran Access to Care Act \(HR 4810\)](#) by a vote of 426 to 0. On June 11 the Senate passed a related measure—the [Veterans’ Access to Care through Choice, Accountability, and Transparency Act \(S 2450\)](#)—by a vote of 93 to 3.

Both the House and Senate bills would allow veterans to seek care by civilian physicians outside the Department of Veterans Affairs (VA) system. The bills would allow the VA to enter into contracts with non-VA facilities to provide hospital care and medical services for veterans who have waited for care longer than VA wait list goals. Following allegations of manipulation of waiting time data within the VA, an internal review released this week showed that more than 57,000 veterans are waiting nationwide to be scheduled for medical care. The Senate bill pegs VA payments for civilian physicians at Medicare rates while the House bill sets reimbursement at the greatest of the following reimbursement rates: VA, Medicare, or TRICARE.

While the House and Senate bills both aim to resolve the health care crisis now plaguing the VA, the separate bills must now be merged into a compromise bill by a House-Senate conference committee before bringing the reconciled bill back to both chambers for a final vote. A White House statement dated June 11 “strongly supports” the Senate bill; the Administration has not issued a statement on the House bill.

To assure all veterans have access to timely health care services, in a [letter](#) sent June 3 to the White House and to Congressional leaders, the AAFP recommended five actions as an intermediate step that the VA should allow civilian family physicians:

- To provide primary care services to eligible veterans
- To write prescriptions that could be filled at VA pharmacies
- To order diagnostic tests at VA facilities
- To refer patients to specialist physicians and other health care providers at VA facilities
- To provide care to eligible veterans under the protections of the *Federal Tort Claims Act*.

3. MedPAC SUPPORTS EXTENDING MODIFIED MEDICARE PRIMARY CARE INCENTIVE

On Friday, June 13, the Medicare Payment Advisory Commission (MedPAC) released a [Report to the Congress](#). In Chapter 5 of the Report, MedPAC reviews the Medicare Primary Care Incentive Payment (PCIP), which absent Congressional action will expire on December 31, 2015. Under the PCIP (enacted as part of the *Affordable Care Act*), Medicare provides quarterly bonus payments to family physicians for whom primary care services account for at least 60 percent of allowed Medicare charges. In its report, MedPAC expresses strong support for primary care in general and for extending the provision in particular, but with potential modifications. MedPAC states that it will likely formally recommend that Congress continue the PCIP beyond December 31, 2015, “but in the form of a per-beneficiary payment.” The Commission affirmed that “while the amount of the primary care bonus payment—an average of \$3,938 per eligible practitioner in 2012—is not large and will probably not drastically change the supply of primary care practitioners, it is a step in the right direction.”

4. FDA/EPA ISSUE RECOMMENDATION ON FISH CONSUMPTION BY WOMEN

The U.S. Food and Drug Administration and the U.S. Environmental Protection Agency this week issued [draft advice](#) on fish consumption. The two agencies have concluded pregnant and breastfeeding women, those who might become pregnant, and young children should eat more fish that is lower in mercury in order to gain important developmental and health benefits. The draft updated advice is consistent with recommendations in the 2010 Dietary Guidelines for Americans. It cautions pregnant or breastfeeding women to avoid four types of fish that are associated with high mercury levels: tilefish from the Gulf of Mexico; shark; swordfish; and king mackerel. In addition, the new advice recommends limiting consumption of white (albacore) tuna to 6 ounces a week. Choices lower in mercury include some of the most commonly eaten fish, such as shrimp, pollock, salmon, canned light tuna, tilapia, catfish and cod. Before issuing final advice, the agencies will consider public comments, and also intend to seek the advice of

the FDA's Risk Communication Advisory Committee and conduct a series of focus groups. The agencies issued a [press release](#) and [a constituent update](#) on the new recommendations.

5. AAFP ASKS CONGRESS TO EXTEND FUNDING FOR “MEDICAID PARITY”

The AAFP joined a coalition of stakeholders to ask Congress to extend a temporary hike in Medicaid rates for primary care through the end of 2016. In a [letter](#) dated June 10, the AAFP, four other major physician associations (the American Academy of Pediatrics, the American College of Physicians, the American Congress of Obstetricians and Gynecologists, and the American Osteopathic Association), and other organizations asked the Senate Finance and House Energy and Commerce Committee to extend federal funding for Medicaid parity for at least two additional years. Under current law, state Medicaid programs must pay primary care physicians Medicare rates for primary care services. Federal funding for the two-year payment enhancement, enacted as part of the *Affordable Care Act*, will expire at the end of 2014. While some state Medicaid programs are planning to extend the enhanced payments for primary care beyond 2014 using state dollars, the AAFP believes that most states will discontinue the payment enhancement absent an extension of federal funding. The AAFP is working to extend the program past the December 31, 2014 sunset date.

6. AAFP SEEKS MEDICAID PARITY PAYMENT STORIES FROM 27 MORE STATES

The AAFP grassroots e-advocacy program has collected stories from 30 family physicians from 23 states about how the increased Medicaid primary care payments help family physicians deliver vital services. The AAFP will share the stories with Congress to convey how important the Medicaid parity payments are. [Make sure your state is represented by sharing your story to help protect the Medicaid pay increase provision.](#)

7. FamMedPAC SUPPORTS WOMEN LEADERS IN CONGRESS

FamMedPAC supported two of the leading women in Congress this week, cosponsoring events for the physician industry in Washington, DC for:

- **Rep. Nancy Pelosi (D-CA)**, the Minority Leader of the House of Representatives.
- **Sen. Patty Murray (D-WA)**, Chair of the Senate Budget Committee, and a member of the Health Subcommittee of the Senate Appropriations Committee.

8. VIRGINIA GENERAL ASSEMBLY BUDGET BLOCKS MEDICAID EXPANSION

On late Thursday night, June 12, the Virginia General Assembly passed a new state budget. The Republicans, who gained control of the Senate on Monday with the resignation of a Democrat from the evenly split chamber, approved a spending deal negotiated by a bipartisan group from the House and Senate. The General Assembly approved budget includes measures that ensure that Governor Terry McAuliffe (D) cannot expand Medicaid without legislative approval. This budget agreement came with the looming threat of the state government shutting down when the current budget expires on June 30. The budget deal now goes to Governor McAuliffe who is reported to be exploring his options on Medicaid expansion.

9. REGULATORY BRIEFS

- On June 10, CMS [announced](#) the availability of \$60 million in funding to support Navigators in federally-facilitated and State Partnership Marketplaces in 2014-2015. Navigators provide unbiased information to consumers about health insurance, the Health Insurance Marketplace, qualified health plans, and public programs including Medicaid and the Children's Health Insurance Program.
- Also on June 10, CMS [announced](#) that 14 states with a federally-facilitated Small Business Health Options Program (SHOP) will join most state-based SHOPs and have employee choice available to small businesses in 2015, doubling the number of states offering employee choice. The remaining 18 states with a federally-facilitated SHOP will

not implement employee choice in 2015. In 2015, nearly two-thirds of Americans will live in states where small business workers can choose a health plan rather than have their employer do it for them.

- On June 12, CMS announced new educational videos posted on the [CMS YouTube Channel](#). The new videos discuss the CMS Value-Based Payment Modifier, the CMS Physician Quality Reporting System (PQRS) Program, and the Medicare and Medicaid EHR Incentive Programs. Other videos are available discussing ICD-10 coding issues.
- CMS will host several free educational calls, [registration](#) is required for each:
 - PQRS: 2014 Qualified Clinical Data Registry, June 17, 1:30p ET.
 - New Medicare PPS for Federally Qualified Health Centers, June 25, 1:30p ET.