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NEXT WEEK IN WASHINGTON...

*On January 14, the Robert Graham Center presents a forum in the U.S. Capitol Visitors' Center titled Building a Primary Care Workforce for Rural America.

*The Medicare Payment Advisory Commission meets January 16 -17, 2014.

1. HOUSE PANEL TALKS ABOUT ENHANCED MEDICAID PRIMARY CARE PAYMENT

One panel of witnesses appeared before the Subcommittee on Health of the House Energy and Commerce Committee on Thursday to give Members an opportunity to hear from experts and evaluate expiring health related provisions that are typically considered as part of short-term Medicare physician payment formula patches or other similar health-related legislation. The list of extenders includes a specific minimum for Medicare's Geographic Practice Cost Index (GPCI), which is an adjustment to the Physician Fee Schedule designed to minimize reduced payments to physicians in rural communities.

Several subcommittee members spoke of their interest in extending the enhanced Medicaid primary care payment which a majority of states has implemented only recently. Legislators cited research that shows that low Medicaid payment levels in many states is associated with fewer physicians accepting Medicaid patients. As a result, in those states, access is reduced for Medicaid patients.

2. CONGRESS NEEDS A BIT MORE TIME ON FY 2014 SPENDING PACKAGE

Despite weeks of toiling away to finish all the annual spending bills for fiscal year 2014, work may not be finished in time to meet the January 15 deadline. To prevent another government shutdown and allow the work to continue, House Appropriations Chairman Rep. Harold Rogers (R-KY) introduced a short-term, "clean" continuing resolution on Friday, January 10. Chairman Rogers says the stopgap spending bill would last through Saturday, January 18 while he and Senate Appropriations Chair Sen. Barbara Mikulski (D-MD) complete negotiations an omnibus spending measure.

3. 50TH ANNIVERSARY OF SURGEON GENERAL'S REPORT ON TOBACCO USE

The first Surgeon General's report on tobacco use was issued 50 years ago, on January 11, 1964. This marked a historic turning point in the fight against tobacco use. The U.S. has made enormous progress over 50 years, cutting smoking rates by more than half and per capita consumption of cigarettes by more than 70 percent. Next Thursday, January 16, the Surgeon General will release the 50th anniversary Surgeon General's report on smoking and health. New data being released in that report and in leading health journals this week will demonstrate clearly that reducing tobacco use has had the single greatest impact on the nation's health over the last 50 years. But tobacco use remains the nation's number one cause of preventable death, killing 443,000 Americans and costing the nation \$193 billion in health care expenditures and lost productivity each year.

4. FamMedPAC ENTERS 2014 IN GREAT SHAPE

As the 2014 election year begins, FamMedPAC is in a great position to fully support candidates friendly to family medicine. The PAC received \$415,126 in contributions from 2,229 AAFP members in 2013, and has \$434,000 in the bank. With almost \$25,000 already received in January, the fundraising goal of \$1 million for the cycle is within reach. In 2013, FamMedPAC made \$392,500 in campaign contributions to 100 candidates and committees. Congressional candidates are already reaching out to the PAC, with several events scheduled for January and February. In addition to incumbent candidates, PAC Board members will be looking at open seat and challenger candidates as races shake out over the coming year.

5. TOBACCO COMPANIES WILL HAVE TO ADVERTISE CORRECTIVE STATEMENTS

The U.S. Department of Justice and the tobacco industry have reached an agreement on how tobacco companies will publicize statements correcting decades of industry misinformation. The "corrective statements" will have to appear on cigarette packaging and in prime-time television and major newspaper ads as well as on the companies' websites.

The agreement, announced on today, would include language that a federal court ruled that the companies "deliberately deceived the American public." A hearing in the case is scheduled for Wednesday, January 25, when a federal judge will decide whether to sign off on the agreement or take more time to review it. Tobacco companies have reserved the right to appeal the statements, which would address a range of deceptions about smoking's impact on health, its addictive nature and the health effects of second-hand smoke, as well as false advertising of light or low-tar cigarettes as less harmful.

6. STATE LEGISLATURES OPEN FOR SESSION IN 2014

Many state legislatures opened for business this week to begin 2014 legislative sessions. Legislators in Idaho, Wyoming, South Dakota, and Utah will potentially reconsider Medicaid expansion after declining the option in 2013. States including Virginia, Missouri, Montana, Florida, Maine, and New Hampshire will likely continue to debate expansion in the new session.

7. REPORT URGES STATE INNOVATION IN HEALTH CARE

A [report](#) from a commission assembled by the nonpartisan Miller Center at the University of Virginia urges states to set clear goals on spending, quality, and safety to reduce health care costs and improve patient safety and care quality. The commission also emphasizes that solutions must be designed for the unique health care markets and cultures of individual states.

8. HOUSE PASSES HEALTH EXCHANGE DATA SECURITY REPORTING MANDATE

By a vote of 291-122, the House of Representatives on Friday, January 10 passed the *Health Exchange Security and Transparency Act* (HR 3811). The measure, sponsored by House Energy and Commerce Health Subcommittee Chairman Joe Pitts (R-PA), would require the Department of Health and Human Services (HHS) to disclose any health exchange data breach

within 2 business days. The Obama Administration announced its opposition to House passage of HR 3811 in a [Statement of Administration Policy](#) because it would impose unrealistic and costly paperwork requirements that do not improve the safety or security of personally identifiable information in the Health Insurance Marketplaces.

9. REGULATORY BRIEFS

- On December 23, CMS [announced](#) 123 new [Accountable Care Organizations](#) (ACOs) in Medicare, providing approximately 1.5 million more Medicare beneficiaries with access to high-quality coordinated care. Since passage of the Affordable Care Act, more than 360 ACOs have been established, serving over 5.3 million Americans with Medicare.
- On December 26, President Obama signed the *Pathway for SGR Reform Act of 2013*. This law averts drastic cuts to Medicare physician payments and instead provides for a 0.5 percent update for Part B services through March 31, 2014. The 2014 conversion factor is \$35.8228. The law also extends the existing 1.0 floor on the physician work geographic practice cost index through March 31, 2014. It also extends the exceptions process for outpatient therapy caps through March 31, 2014.
- On December 31, CMS announced enhancements to two mobile apps, Open Payments Mobile for Industry and Open Payments Mobile for Physicians. Visit either the Google Play™ app store or iOSApple™ app store for these applications. For help with the apps you can contact the CMS Help Desk at Open Payments@cms.hhs.gov.
- On January 1, CMS posted the “Helping Consumers with Casework” [factsheet](#) for consumers having issues with eligibility or plan selection.
- On January 6, CMS issued a [report](#) indicating that U.S. spending on health care grew by just 3.7 percent in 2012, marking the fourth straight year of low growth. Spending for hospital care increased 4.9 percent in 2012, 1.5 percentage points more than in 2011, but still well below historical averages. Spending also accelerated in 2012 for physician and clinical services (4.6 percent), Medicaid (3.3 percent) and out-of-pocket expenditures (3.8 percent), while it slowed for Medicare, prescription drugs and skilled nursing facilities.

10. AAFP APPLAUDS MENTAL HEALTH PARITY FINAL RULE

The AAFP on January 8 joined 17 other physician and consumer organizations in sending a [letter](#) sent to CMS regarding the final rule for implementing the *Mental Health Parity and Addiction Equity Act*. The letter urges CMS to issue additional regulations that would apply important consumer protections to Medicaid and the Children’s Health Insurance Program. These two programs were explicitly excluded from the final rule.