

March 27, 2015

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### NEXT WEEK IN WASHINGTON...

- \* Both the House and the Senate will be in recess until April 13.

## 1. HOUSE PASSES SGR-REPEAL BILL, BUT IT STALLS IN THE SENATE

On Thursday, March 26, the House approved a bill to replace Medicare's physician payment formula in an overwhelming bipartisan vote of 392-37. The action sent the legislation over to the Senate, where it stalled as Senators labored through numerous amendments to the budget bill and recessed in the early hours of Friday, March 27 without taking up the House bill. The failure of the Senate to act means that the 21-percent reduction in the Medicare physician payment rate will become effective on April 1. However, since the Centers for Medicare and Medicaid Services (CMS) holds clean claims for 10 business days, there will be no effect on payment until April 14, after the Senate returns from its 2-week recess. If the Senate approves the House-passed legislation by April 14, there should be no disruption in payments.

The legislation (HR 2) passed with 212 Republicans and 180 Democrats joining to support the deal negotiated by Speaker John A. Boehner (R-OH) and Democratic Leader Nancy Pelosi (D-CA). It would end a cycle of 17 short-term bills that temporarily averted cuts to Medicare payments caused by the sustainable growth rate (SGR) formula.

In addition to replacing the SGR, the bill includes a two-year extension of funding for:

- Children's Health Insurance Program
- Community Health Centers
- National Health Service Corps
- Teaching Health Centers (which would be funded at \$60 million annually).

To offset some of the costs, the bill would require wealthier seniors to pay more for their Medicare outpatient and prescription drug coverage. In addition, the bill contains changes to Medigap plans that would produce savings for the federal budget by shifting some of the costs to Medicare Advantage plans. However, the measure is only partially paid for, with the Congressional Budget Office projecting that it would increase the federal deficit by \$141 billion over 11 years. This addition to the deficit is the major cause of concern for many legislators.

Over 300 people have called 1-866-629-5269 to urge their Senators to follow the House's lead. In addition over 1,000 people [have written](#) their Representative or Senators so far.

## **2. AAFP URGES INVESTMENTS IN NHSC, HRSA**

The *Medicare Access and CHIP Reauthorization Act* (HR 2) included a provision to extend the life of the trust fund dedicated to the National Health Service Corps, but it will need to be restored to an annual appropriation i to avoid the threat of another fiscal cliff. The AAFP and more than 50 other organizations sent a [letter](#) on March 24 to House and Senate Appropriations Committee members urging them to provide a discretionary appropriation of \$287.4 million for the National Health Service Corps in fiscal year 2016.

In addition, the AAFP and more than 70 other organizations sent a [letter](#) on March 24 to House and Senate Appropriations Committee members urging them to restore HRSA's discretionary budget authority to the FY 2010 level of \$7.48 billion in FY 2016.

## **3. HOUSE, SENATE ADOPT FY16 BUDGET RESOLUTIONS**

In the early hours of Friday, March 27, the Senate adopted its budget resolution (S Con Res 11) for the 2016 on a vote of 52 to 46. The austere budget plan will be reconciled in conference with the version passed by the House on March 25 (H Con Res 27) to serve as the framework for federal spending in FY 2016.

## **4. HHS ANNOUNCES STEPS TO ADDRESS OPIOID OVERDOSES AND DEATHS**

On Thursday, March 26, HHS Secretary Sylvia Burwell announced an initiative aimed at reducing prescription opioid and heroin related overdose, death, and dependence. The announcement was accompanied by the release of a [report](#) by the Office of the Assistant Secretary for Planning and Evaluation (ASPE) which detailed the problem and the targeted priority areas. The ASPE report notes both the "clear correlation between opioid prescribing rates and overdose rates" and the "limited research available to assess the impact of prescribing guidelines."

## **5. HOUSE COMMITTEE REVIEWS OPIOID ABUSE TREATMENT PRACTICES**

On March 26, the House Energy and Commerce's Oversight and Investigations Subcommittee held a hearing titled, *Examining the Growing Problems of Prescription Drug and Heroin Abuse: State and Local Perspectives*. The [hearing](#) was organized to review effective substance abuse programs. Subcommittee Chairman, Rep. Tim Murphy (R-PA), who is a clinical psychologist, mentioned his concerns about the over-emphasis on medication-assisted treatment and the dispensation of buprenorphine. Rep. Diana DeGette (D-CO) commented about the need to look at reforms within the *Affordable Care Act* that are increasing access to behavioral health services. In February, the subcommittee examined the federal government's coordination of various mental health programs designed to address the needs of those with severe mental illnesses. The hearing witnesses mentioned the need to improve substance abuse awareness in medical education. In addition, witnesses talked about the importance of reauthorizing the National All Schedules Prescription Drug Electronic Reporting (NASPER) program. State guidelines for pain management were also discussed. The subcommittee is expected to review this issue further.

## **6. HEALTH COMMITTEE REVIEWS 340B DRUG DISCOUNT PROGRAM**

On Thursday, March 24, the House Energy and Commerce Subcommittee on Health held a [hearing](#) to discuss the 340b program, an initiative that requires pharmaceutical companies provide drug discounts for patients and for qualified covered entities such as community health centers, Ryan White HIV clinics and children's hospitals. The hearing was organized to review federal oversight issues and program requirements. A representative from the Government Accountability Office (GAO) testified about oversight and the need for strong program guidance on patient eligibility. Also, the GAO indicated that program guidance could help clarify which providers are eligible. The HHS Office of the Inspector General recommended that HRSA strengthen transparency of ceiling prices for providers and Medicaid program, which would require new authority from Congress. Also, the OIG recommended claims transparency to ensure that drugs are not discounted twice. There were also questions raised about whether or not patients' prescriptions were eligible for discounts within community health centers and in follow up visits within a physician's office. The same concerns were raised about how to apply discounts when uninsured patients visit retail pharmacies.

## **7. AAFP JOINS LETTERS TO CONGRESS AND HHS SUPPORTING VACCINE ACCESS**

On March 23, the AAFP joined two letters support vaccine access and awareness. The AAFP signed letter supporting the *Vaccines Save Lives* resolution (H Res 117), along with numerous medical, health and private sector organizations. The AAFP also joined a letter to HHS on the National Adult Immunization Plan (NAIP) along with 21 medical, public health and private sector companies such as the Trust for America's Health, American College of Preventive Medicine and American Public Health Association. The letter supports stronger interoperability as a way of helping monitor adult vaccine rates. The comments emphasized the importance of improving access and reducing financial barriers. The letter also urged efforts to increase education and awareness of vaccines and addressed the need for targeted quality improvement measures. The Adult Vaccine Coalition, of which the AAFP is a founding member, organized both letters.

## **8. HOUSE COMMITTEE REVIEWS THE CDC DIRECTOR'S PUBLIC HEALTH PRIORITIES**

On March 25, Thomas Frieden, MD, Director of the U.S. Centers for Disease Control and Prevention testified before a hearing held by the House Appropriations' Subcommittee on Labor, Health and Human Services and Education to present the agency's budget and to discuss current federal public health priorities. He highlighted the agency's efforts to combat anti-microbial resistance, to reduce the impact of prescription drug abuse and to support immunization efforts worldwide. During the hearing, committee members identified their concerns about food safety, gun violence research, HIV prevention, sodium intake and infectious disease.

Overall, anti-microbial resistance and immunization issues were among the top concerns. The CDC will be tasked with helping significantly reduce infections among three priority pathogens. The new priority was included as part of President Obama's \$1.2 billion [National Action Plan](#) for Reducing Antibiotic Resistant Bacteria. The proposal was designed to reduce infections and improve disease control through safety, drug stewardship, research and other health programs. The plan recommends physicians who take Medicaid and Medicare patients be required to report on their antibiotic prescribing practices, particularly for the treatment of non-bacterial conditions. It also calls for the development of new antibiotics and diagnostic tests to help physicians quickly diagnose infections.

## **9. MAINE AFP LEGISLATIVE TRAINING & LOBBY DAY**

On March 24-25, 2015, the Maine Academy of Family Physicians held their second annual member advocacy training and lobbying day. The event began on Tuesday evening with dinner and a speech from Mary Mahew, the Commissioner for the Maine Department of Health and Human Services. Commissioner Mayhew shared insight on the department and on the future

legislative and administrative agenda in Maine. On Wednesday, March 25, there was a morning briefing and then attendees went to the Capitol to meet with their legislators. AAFP staff presented on the national landscape, while the Chapter President Lisa Marrache, MD and Maine Medical Association staff spoke to issues in the state. The Maine AFP was a recipient of the 2014 AAFP Chapter Advocacy Day Assistance Grant.

#### **10. FamMedPAC HAVING STRONG 2015, WRAPS UP BUSY MONTH**

FamMedPAC is receiving strong support from AAFP members in 2015, collecting almost \$154,000 in contributions in the first three months of the year. Some 773 AFP members made at least one contribution to the PAC so far in 2015. The PAC has already contributed \$156,000 to 41 candidates and committees in 2015.

As the House took up the SGR repeal legislation this week, legislators held their final fundraising events before the end of the Federal Election Committee reporting deadline, and before they adjourned for the next two weeks. Campaigns are focused on raising significant campaign funds in the first quarter to discourage any opposition to their reelection. The PAC supported the following candidates this week:

- **Rep. Michelle Lujan Grisham (D-NM)**, a member of the House Budget Committee, is a strong supporter of family medicine issues
- **Rep. Frank Pallone (D-NJ)**, who is the senior Democrat on the House Energy and Commerce Committee
- **National Republican Congressional Committee**, the campaign committee for House Republicans; Dr. Bob Wergin attended the dinner in Washington, DC and sat with **Rep. Larry Buschon, (R-IN)**, a cardio-thoracic surgeon.
- **Sen. Debbie Stabenow (D-MI)**, the senior Democrat on the Health Subcommittee of the Senate Finance Committee.

#### **11. REGULATORY BRIEFS**

- On March 20, CMS and the Office of the National Coordinator for HIT [released](#) the proposed Stage 3 rule defining “meaningful use” for the Medicare Electronic Health Records Incentive Program and a companion rule that proposes certification criteria, standards and implementation specifications for EHR technology. The Stage 3 rule proposes to make Stage 3 optional in 2017. Beginning in 2018, however, all eligible hospitals, critical access hospitals and eligible professionals would be required to report on the same eight objectives of meaningful use that incorporate 21 specific measures, many with higher thresholds than in Stage 2. All providers, even those new to the program, would have to meet Stage 3 beginning in 2018. The AAFP is reviewing these proposals and will comment on both regulations before May 29th.
- On March 24, the Department of Veterans Affairs [announced](#) that it will change the calculation used to determine the distance between a Veteran’s residence and the nearest VA medical facility from a straight line distance to driving distance. The change is expected to roughly double the number of eligible Veterans.
- On March 25 the Department of Health and Human Services Secretary Sylvia Burwell, joined by President Obama, and others [launched](#) the Health Care Payment Learning and Action Network at the White House. The intent of this network is to tie 30 percent of payments to quality and value through alternative payment models by 2016 and 50 percent by 2018 under new approaches to paying for health care created by the Affordable Care Act.
- On March 26, HHS [announced](#) a targeted initiative aimed at reducing prescription opioid and heroin related overdose, death and dependence. Deaths from drug overdose have risen steadily over the past two decades and currently outnumber deaths from car accidents in the United States. The President’s FY 2016 budget includes critical

investments to intensify efforts to reduce opioid misuse and abuse, including \$133 million in new funding to address this critical issue.

- CMS will host the following free educational calls, [registration](#) is required:
  - Medicare Shared Savings Program ACO: Preparing to Apply for 2016, April 7, 1:30pm ET
  - Open Payments (Sunshine Act) 2015 - Prepare to Review Reported Data, April 15, 2:00pm ET
  - How to Register for the PQRS Group Practice Reporting Option in 2015, April 16, 1:30pm Medicare Shared Savings Program ACO: Application Process, April 21, 1:30pm ET