

December 15, 2017

On the Horizon ...

- * December 22, the government will shut down unless funding for general operations is continued
- * December 19, the AAFP presents the Advanced Primary Care Alternative Payment Model (APC-APM) to the Payment Model Technical Advisory Committee (PTAC)

U.S. CONGRESS

1. Final Tax Bill Expected to Repeal ACA Mandate, Retain Other Important Deductions

The *Tax Cuts and Jobs Act* (GOP tax-reform plan), HR 1, is nearing completion, and House-Senate negotiators appear to have addressed some of the AAFP's concerns with the effort. While the final conference report is still not available, media reports indicate that agreement has been reached, and that the final bill will leave intact three provisions that the AAFP has sought: [the student loan interest deduction](#), the tax-free status of graduate-school tuition waivers, and the deduction for medical expenses. In the case of the medical-expense deduction, media reports also indicate that the conference report will enhance the deduction—reducing for two years the threshold to qualify, from 10 percent to 7.5 percent of adjusted gross income. The AAFP has also [spoken out](#) about the tax writers' intent to eliminate the individual mandate of the Affordable Care Act, and about the [projected impact of the bill on Medicare payments](#) (under separate budget laws, enactment of HR 1 would automatically trigger a 4-percent reduction in Medicare payments to physicians). While the conference report is not expected to solve these two concerns, in a separate vote likely to occur next week, Congress will vote to prevent the reduction in Medicare payments.

2. AAFP Sends Joint Letter to Bicameral Leadership on Tax Reform

On December 14, the AAFP, the American Academy of Pediatrics, the American College of Physicians, the American Congress of Obstetricians and Gynecologists, the American Osteopathic Association, and the American Psychiatric Association, sent a [letter](#) to the bipartisan, bicameral leadership in Congress to express increasing alarm on tax reform legislation, aspects of which could be harmful to Americans and our health care system.

CENTERING ON THE STATES

1. Congress Seeks State Input on Opioid Crisis

On December 14, Senate HELP committee leaders sent a [letter](#) to every Governor and State Insurance Commissioner in the nation asking for their specific recommendations on how the federal government can provide states support against the opioid crisis. Governors and Insurance Commissioners are encouraged to respond if further federal law or regulation are necessary and if so what changes need to be considered.

2. States Continue to Call for CHIP Funding

On December 12, a bipartisan group of 12 Governors sent a [letter](#) urging Congress to reauthorize funding for the Children's Health Insurance Program. They state, "In the absence of Congressional action, we have worked to protect coverage for children and pregnant women in each of our states, but we will need federal support to continue the program. Resources are nearly exhausted and some states already have begun to inform families that their children's coverage may end on January 31." Governor Larry Hogan (MD) also sent a letter to Congress calling for CHIP reauthorization and stated, "needy kids should never become a political football." Arizona AFP and Connecticut AFP, both states slated to run out of funding in January, also sent letters to their Governors urging their support for Congress to extend CHIP.

2. PhRMA Sues California Over Drug Pricing Legislation

On December 8, The Pharmaceutical Research and Manufacturers of American (PhRMA) filed a [complaint](#) against a new prescription drug transparency [law](#) that would require manufacturers to give advance notice before significantly increasing the price. PhRMA states that the law, "creates bureaucracy, thwarts private market competition, and ignores the role of insurers, pharmacy benefit managers and hospitals in what patients pay for their medicines."

EXECUTIVE BRANCH

1. AAFP to Present Payment Proposal to PTAC

On December 19, the AAFP will present the [Advanced Primary Care Alternative Payment Model](#) (APC-APM) to the Physician-focused Payment Model Technical Advisory Committee (PTAC). PTAC is charged with reviewing proposed payment models and making recommendations to the HHS Secretary. If implemented nationally, the APC-APM would expand opportunities for participation in Advanced APMs. And because the APC-APM is feasible for small practices, those expanded opportunities could help preserve solo and small independent practices, which is consistent with the principle of choice and competition in the market.

2. AAFP to Comment Soon on 2018 QPP Final Rule

Comments on the 2018 Quality Payment Program [final rule](#) are due to CMS on January 2, 2018. The AAFP response is under development and focuses on the portions of this regulation open for further public input. The AAFP prepared a [summary](#) of this regulation for members.