AMERICAN ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

WASHINGTON UPDATE

AAFP Government Relations — 1133 Connecticut Avenue, NW (Suite 1100) — Washington, DC 20036

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On the Horizon …
* The House will be in recess for a District Work Period until May 16.
* On May 10, Senate HELP will consider a bill to extend FDA user-fees and the AAFP-supported *Recognize, Assist, Include, Support, and Engage (RAISE) Family Caregivers Act*.

U.S. CONGRESS

1. House Passes AHCA; Senate Action to Follow

The House passed the *American Health Care Act* (HR 1628) to repeal and replace the *Affordable Care Act* by a vote of 217 to 213 on May 4. The American Academy of Family Physicians (AAFP) issued a public statement expressing deep disappointment and pledging to work with the U.S. Senate to develop policies that guarantee affordable care and coverage.

The AAFP conducted a Speak Out campaign prior to the vote that resulted in 2,923 letters sent to Congress opposing the bill. On May 1, the AAFP sent a letter urging Congress to reject this bill. On May 3, the AAFP sent a message to each member of the U.S. House of Representatives noting that the flaws in the AHCA will destabilize the health care system, cause millions to lose coverage and allow for discrimination against patients based on their gender, age, and health status. For these reasons, the AAFP continues to oppose the AHCA and encouraged the House of Representatives to reject it.

Following House passage of the AHCA, the AAFP joined other frontline physicians groups in issuing a statement describing it as inherently flawed. The statement urged the Senate to promptly put aside the AHCA and work to achieve real bipartisan solutions to improve affordability, access, and coverage for all.

2. Congress Sends Final FY17 Spending Bill to White House

On May 3, by a bipartisan vote of 309 to 118, the House passed the consolidated appropriations act for FY 2017 (HR 244) to provide discretionary funding for the federal government through September 30, 2017. The Senate voted May 4 (79 to 18) to send it to the President who is expected to sign it. The bill includes $73.5 billion for the Department of Health and Human Services (HHS) , an increase of $2.8 billion above last year's enacted level. Both the House Republicans and the House Democrats released summaries of the bill.

Among AAFP funding priorities, Congress appropriated $324 million for the Agency for Healthcare Research and Quality (AHRQ) as proposed in the Senate's FY 2017 bill (S 3040). AHRQ's appropriation represents a cut of $10 million from last year's budget authority, but it exceeds the $280 million level proposed by the House in (HR 5926). The omnibus spending bill also provides the Health Resources and Services Administration (HRSA) with $6.4 billion or $77 million above the FY 2016 level. ($50 million of the increase resulted from the transfer of the Behavioral Health

Workforce Education and Training program from SAMHSA.) The bill provides level funding for Title VII, Section 747 Primary Care Training & Enhancement grants at $39 million and maintains level funding for the Title VII Centers of Excellence, Health Careers Opportunity program, Faculty Loan Repayment and Area Health Education Centers, and Scholarships for Disadvantaged Students.

Other HRSA programs were level-funded including Community Health Centers at $1.5 billion and Title X Family Planning, at $286 million. The bill does not include language prohibiting Planned Parenthood from receiving Title X funds. HRSA's rural programs are increased by over 4%, to total of $156 million. The bill directs HRSA to develop a plan to create a telehealth center of excellence to test the efficacy of telehealth services in both rural and urban locations and provides $1.5 million for telehealth. It also provides $65 million for Rural Health Outreach as well as an additional $2 million for rural hospital flexibility grants.

The bill provided $7.3 billion for the Centers for Disease Control and Prevention (CDC), $22 million more than in FY 2016 and includes $6.3 billion in appropriated funds as well as $891 million in transfers from the Prevention and Public Health Fund. It provides $112 million – $42 million above the FY 2016 level – to expand efforts to combat prescription drug abuse. However, the bill CDC's Chronic Disease Prevention and Health Promotion activity was cut by $60.5 million to $778 million in FY 2017. The bill also continues the longstanding prohibition against using federal funds at CDC "to advocate or promote gun control" which the AAFP opposes. The spending bill increased by $2 billion to $34 billion funding for the National Institutes of Health (NIH). The measure includes level-funding of $3.7 billion for Centers for Medicare and Medicaid Services (CMS) program management and operations for FY 2017 which, equal to FY 2016.

The Substance Abuse and Mental Health Services Administration (SAMHSA) is funded at $3.6 billion, an increase of $150 million. Combined with $500 million in funding authorized by the *21st Century Cures Act*, the spending agreement supports a total increase of $650 million for initiatives aimed at addressing the nation's opioid addiction crisis. SAMHSA's Medication Assisted Treatment for Prescription Drug and Opioid Addiction program receives $56 million. The bill also includes language to make permanent health benefits for retired coal mine workers. The miners' health benefits are fully offset.

The Congressional Budget Office estimate found that the FY 2017 omnibus spending package is below the discretionary spending cap but would add $249 million to the deficit over a decade as a result of aid to Puerto Rico's Medicaid program.

3. Medicaid's Personal Care Services Program Under Review

On May 2, the House Energy and Commerce's Oversight and Investigations Subcommittee held a hearing on waste, fraud, and abuse in Medicaid's Personal Care Services (PCS) Program. PCS supports in-home services such as feeding, dressing, and bathing. A Government Accountability Office (GAO) report found that CMS needs better data collection standards to oversee the PCS program. A witness from the HHS Office of the Inspector General indicated that there are hundreds of outstanding fraud and patient neglect cases. Rep. Tim Murphy (R-PA), the subcommittee chair, noted that the 2016 mental health reform bill added requirements to use an electronic visit verification system for Medicaid PCS and long-term care programs.

4. Health Subcommittee Examines Medical Device Bills

On May 2, the Energy and Commerce Committee's Subcommittee on Health held a hearing examining four bills as part of the FDA user fee reauthorization process. On April 14, the Energy and Commerce and Senate Health, Education, Labor, and Pensions Committee released its draft FDA user fee bill. Some speculate that prescription drug pricing legislation may be included as part of the legislation to update the agency's agreements with the drug, medical device, generic drug, and biosimilar manufacturers. Both committees are expected to approve legislation before June.

CENTERING ON THE STATES

1. Maine and Wisconsin Submit Waivers for Public Comment

On April 19, Wisconsin released for public comment a proposed amendment to its BadgerCare Reform Section 1115 demonstration. Notably, the amendment imposes premiums, cost-sharing, and health behavior incentives. Wisconsin is also seeking to limit BadgerCare enrollment to 48 months for individuals ages 19 to 49. After 48 months, individuals would be disenrolled from coverage and would not be permitted to re-enroll for six months unless they become eligible for Medicaid under a different eligibility category. Wisconsin is seeking to link participation in work requirements to the 48-month enrollment limit. Any months in which an enrollee is meeting the work requirements would not count toward the 48-month limit. Additionally, Wisconsin is proposing that all enrollees complete an annual drug use screening as a condition of eligibility, with individuals who fail to complete the required drug test being subject to a six-month lockout. This is the first drug screening mandate included in a waiver. On April 23, Maine released for public comment a draft Section 1115 waiver application. The waiver imposes premiums and 90-day lockouts for missed premiums, work requirements, and asset tests. The waiver would also impose financial penalties for missed doctor appointments.

2. California Accepts Multiple Insurance Rate Options

California Insurance Commissioner Dave Jones is allowing health insurance companies offering plans on the states' exchange to submit two sets of proposed rates instead of the standard practice of one. The commissioner explained, "Because we don't know what (the administration's) going to do we have to allow health insurers to file two sets of rates that would contemplate either course." The state expects to announce the 2018 rates in July.

3. Bills of Interest:

- **Direct Primary Care —** Four states (Colorado, Indiana, Kentucky, and Virginia) have signed direct primary care legislation into law. Montana passed legislation but it was vetoed by Gov. Steve Bullock (D).
- **Prescription Drug Abuse —** In early April, New Mexico Gov. Susana Martinez (R) signed into law legislation expanding access to naloxone. New Mexico is the first state to require all state and local law enforcement officers carry the overdose antidote.
- **Reinsurance Programs** — The Texas Senate unanimously passed legislation that would allow the state to create a high-risk pool or a reinsurance program, depending on upcoming federal action and guidance.
- **Scope of Practice** – The Maine Committee on Labor, Commerce, Research and Economic Development defeated a bill that would have allowed advanced practice registered nurses who attained a Doctor of Nursing practice degree to be called "doctor."
- **Work Requirements** — The Florida House of Representatives passed legislation which would impose work requirements on specific Medicaid enrollees. The Ohio House of Representatives passed a preliminary budget that mandates work requirements for Medicaid expansion recipients. The bill exempts those over 55, in school or a job training program, in a substance abuse treatment program, or the medically frail.

EXECUTIVE BRANCH

1. New HRSA Administrator Named

George Sigounas, MS, PhD, was named the new Administrator for the federal Health Resources and Services Administration (HRSA). Prior to HRSA, Sigounas was a Professor of Medicine from East Carolina University's Brody School of Medicine where he helped establish the Bone Marrow Transplantation Program. The former Acting HRSA Administrator, Jim Macrae, will return to lead HRSA's Bureau of Primary Health Care.

2. FDA's Menu Labeling Enforcement Delayed (Again)
On May 1, the FDA announced it would delay the Affordable Care Act's menu labeling requirement enforcement date by a year to May 8, 2018. Under Section 4205, chain restaurants and ready-to-eat establishments, like delis and grocery stores, must post food calorie information. The policy was first approved under the *Labeling and Education Act of 1990*, but exempted restaurants and ready-to-eat foods. The announcement marks the third enforcement deferral from the original December 2015 deadline. The agency originally pushed back compliance due to the food industry's concerns about costs and regulatory burdens. Later, an appropriations bill included language prohibiting menu labeling implementation. Public health studies indicate that the rise in overweight and obesity rate, which lead to chronic diseases, are associated with eating outside of the home environment. Research also shows that menu labeling requirements help consumers make healthier nutritional choices. In a 2010 letter, the AAFP supported the menu labeling regulation and urged the FDA to implement the policy "as soon as possible."

3. Family Physician Selected for MACPAC
On May 4, the GAO announced appointments to the Medicaid and CHIP Payment and Access Commission (MACPAC). This commission is tasked with reviewing Medicaid and CHIP access and payment policies and advising Congress on issues affecting Medicaid and CHIP. The AAFP was pleased that our nominee, Kisha Davis, MD, MPH, was selected to serve.

TAKE ACTION
1. Support FamMedPAC Today!
As Congress continues to debate fundamental changes to health care coverage, is it crucial that every AAFP member strengthen our voice on Capitol Hill. FamMedPAC is a vital tool to support legislators who understand and value family medicine's unique role in healthcare and to educate legislators about preventive care, pharmaceutical costs, liability laws and reducing the administrative burden that physicians face. Only a small percentage of AAFP's over 129,000 members support FamMedPAC. Now more than ever, FamMedPAC needs you to help ramp up family medicine the voice of family medicine. Please help us to fight for you and your patients. Visit the FamMedPAC Donation Page and join this important effort.