



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

July 31, 2006

Overview

The House of Representatives has recessed for its traditional five-week August break, with the Senate set to follow suit later this week. Unfortunately, seven months into the second session of the 109th Congress, far more has been left undone than has actually been accomplished. Of specific interest to SGIM, no appropriations bills have been enacted; authorization bills for Title VII, AHRQ, and NIH have not been drafted; and a Sustainable Growth Rate formula that will result in a nearly 5 percent cut in Medicare physician reimbursements is still set to take effect on January 1, 2007. In addition, important health-related problems such as disparities in access to services, the Medicaid identification requirement, and health IT are largely unaddressed.

It is widely expected that when Congress returns after Labor Day, it will pass spending bills for Defense, Homeland Security, and Veterans Affairs, then adopt a stopgap Continuing Resolution that will continue all other government programs at current levels (at best) through Thanksgiving. Lawmakers will like recess again on September 29, not to return until after the November election – an election that could have a profound impact on issues in the future.

This report touches on the status of priority issues and actions that SGIM, the HPC and its subcommittees have taken in the past month. It is in bulleted and brief paragraph format for ease of review. If you require additional information on any of the issues or activities described here, the final section

contains the contact information for the members of the HPC Executive Committee and staff contacts.

Education Subcommittee Issues

Title VII-Health Professions: On July 20, the Senate Appropriations Committee voted to restore Title VII programs to the FY2006 funding levels, including \$63.7 million to continue centers of excellence, the health careers opportunity program (HCOP) and scholarships for disadvantaged students. With regards to HCOP, the Committee expressed concern with recent funding patterns and strongly urged the agency to give priority consideration to minority health professions schools. The Committee also restored \$28.6 million to continue Area Health Education Centers (AHECs), and \$1.3 million for faculty loan repayments—both of which were slated for elimination by the President.

Under pressure from SGIM, the Committee voted to recommend \$50 million for training in primary care medicine and dentistry, an increase of \$9.2 million over the FY2006 funding level and *the largest increase allotted to any Title VII program.*

Graduate Medical Education: On another front, the Committee expressed concern that CMS has yet to issue regulations for implementing the Integrated Rural Training Track program for graduate physician training in rural areas. In the absence of regulations, programs to train family physicians to practice in rural and frontier communities will be unable to meet the requirements for graduate medical education (GME) programs developed for urban and suburban areas. The Committee urged CMS to develop the regulations as soon as possible, and report back to Congress by April 1, 2007.

Research Subcommittee Issues

AHRQ: Both the House and Senate Appropriations Committees have recommended funding AHRQ at \$318.7 million – the same level as the President’s budget and the same level as in FY06. SGIM has:

- Signed onto Friends of AHRQ letters to House and Senate committees.
- Met with House and Senate committee staff.
- Met with selected individual committee members’ staffs.

NIH CTSA: Both the House and Senate committee reports contain language supporting the CTSA proposal, as put forth by NCR. The Senate language urges closer coordination with the former GCRCs. SGIM has:

- Made this a principal issue of 2006 Capitol Hill Day.
- Met with the Director of NCR about the program.
- Met with House and Senate committee staff.

VA Research: Both the House and Senate appropriations bills contain \$412 million for VA research, equal to the FY06 level and a \$13 million increase over the President's budget request for FY06. SGIM has:

- Signed onto Friends of the VA letters to House and Senate committees.
- Met with House and Senate committee staff.

NCMHHD: The House Appropriations bill cut this center, which funds minority health and health disparities research, by \$1.0 million from the FY06 level; the Senate bill increases it by \$1.5 million to \$196.7 million.

ORWH: The Office on Research in Women's Health at NIH does not have a line item, so it will be months before its budget level will be determined.

Rural Health Research: The House Appropriations Committee increased this funding from \$8.7 million to \$9.0 million. The Senate held it at \$8.7 million, which is the FY06 level and the President's FY07 request.

CDC Public Health Research: Both the House and Senate committees funded this program at \$31.0 million, which was equal to the FY06 level and the President's request.

Other: SGIM was a signer of the letter circulated by the Campaign for the Advancement of Medical Research urging Congress to pass HR 810, which would broaden the number of stem cell lines. (The bill passed, was vetoed by the President, and the House failed to override the veto.)

Clinical Practice Subcommittee Issues

Reimbursement and RUC: At the end of June, CMS issued proposed rule that updates work relative value units (RVUs) that will result in payment increases for general internists. SGIM worked closely with ACP to develop comments to the proposed rule. SGIM's comments are being submitted to CMS after thorough review by the Council, Clinical Practice Committee, and the Health Policy Committee. SGIM members are being asked to write to CMS in support of the group's formal comments.

P4P and SGR: No significant action has been taken by Congress on pay-for-performance measures. However, this issue continues to be one of Congressional interest. SGIM has become involved with the Kidney Care Quality Alliance, which is in the process of developing quality measures. No action has been taken to prevent the almost 5 percent cut to the Sustainable Growth Rate formula that is scheduled to take place January 1, 2007.

Medicaid Identification Issue: This month, CMS released an interim rule that creates a hierarchical approach to the list of documents that can be used to prove citizenship and identity. SGIM plans to submit comments on this interim rule.

National Health Service Corps: The House Appropriations Committee increased funding for field placements from \$40.2 million to \$42.2 million and for recruitment from \$85.1 million to \$89.3 million. The Senate funded the two programs at \$40.2 million and \$85.2 million respectively, the same amount as the Presidents FY07 request.

Community Health Centers: The House appropriations bill increases funding for this program to \$1.98 billion, while the Senate appropriations bill funded the program at \$1.92. Both amounts are above the FY06 appropriation of \$1.78 billion.

Rural Health Programs: The House Appropriations Committee increased funding for the rural outreach grants to \$40 million and funding for rural health research to \$9 million. The Senate provided \$38.8 million for rural outreach grants and \$8.7 million for rural health research. The President requested \$10.3 million for rural outreach grants and \$8.7 million for rural health research in his FY07 budget request.

Limited English Proficiency: SGIM is a member of the Language Access Coalition that is administered by the National Health Law Program and has signed on to the group's Statement of Principles.

Health Information Technology: On July 27, the House passed its version of Health Information Technology legislation by a vote of 270 to 148 with 15 members not voting. Last fall the Senate passed its version of the legislation. However, both pieces of legislation differ significantly, specifically on grant programs and the implementation of the ICD-10 coding system.

Member Development Subcommittee Activities

This subcommittee is currently in formation. As designed, it is intended to undertake the following tasks:

- Create an HPC Writers group to develop advocacy curriculum to educate and motivate members; develop curriculum to be used in HPC members institutions; possibly, develop curriculum for use at regional meetings.

- Develop a key contacts program, matching SGIM members with representatives and senators.
- Oversee Capitol Hill Day and Off-the-Hill Week, with the goal of increasing membership participation and possibly extending participation to non-members.
- Review content of HPC-related programs at the Annual Meeting and possibly develop new curriculum related to advocacy in Washington.
- Consider miscellaneous topics such as how to increase the use of advocacy as a means of academic advancement.

Communication Subcommittee Activities

This subcommittee is currently in formation. It was created to undertake the following responsibilities:

- Continue to produce Forum articles, but expand them to address specific legislative and administrative issues.
- Continue to produce and enhance E-News.
- Review the utilization rates of CapWiz and make a recommendation concerning its viability based on member participation.
- Work with the Website Editorial Board (created at the July 14 Council meeting).
- Develop other mechanisms to enhance communications with the membership, groups, and other constituencies within SGIM.

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