



**Cavarocchi-Ruscio-Dennis Associates**

# **Health Policy Report**

**August 31, 2006**

## **Overview**

The House of Representatives has been in recess for the entire month of August. The Senate adjourned for the month on August 4. Both houses are expected to return on September 6, then adjourn again on September 29 until after Election Day on November 7.

As we reported last month, 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 5.1 percent cut in Medicare physician reimbursements is still scheduled 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 remain 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 attach a stopgap Continuing Resolution to one of those bills to continue all other government programs at current operating levels (at best) through Thanksgiving. The results of the mid-term elections may have an impact on the types of actions taken in the lame-duck session.

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**

**Coalition Activities:** SGIM has joined with several other health-related organizations in asking Congress to oppose changes in the budget and appropriations process. Shortly before it adjourned for the August recess, the House passed legislation, H.R. 4890, essentially giving the president line-item veto authority. Legislation is also pending in the House that would create “Sunset commissions,” independent panels empowered to restructure or completely abolish federal programs or agencies thought to have outlived their usefulness. In a letter to be sent to every member of Congress, we argue that this legislation usurps congressional prerogatives and vests too much power with the president. Under this scenario, for example, we have no doubt that the president would insist on eliminating Title VII-Health Professions programs, despite the actions of Congress. We will continue to monitor this situation closely.

**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 NCRR. 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 NCRR 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. The difference will have to be resolved in the conference committee that will finalize the bill later this year.

**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. Again, this will be a conference issue between the House and Senate.

**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. We expect this to be the final appropriation level.

## **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. After thorough review by the Council, the Clinical Practice Committee, and the Health Policy Committee, SGIM's comments were submitted to CMS. SGIM signed a letter that the ACP submitted to CMS that focused on the practice expense portion of the proposed rule. The practice expense issue is of continuing interest to SGIM.

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. 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: SGIM submitted comments to CMS on the interim final rule that creates a hierarchical approach to the list of documents that can be used to prove citizenship and identity.

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: In July, 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. Although both pieces of legislation differ significantly, specifically on grant programs and the implementation of the ICD-10 coding system, it is possible that there could be a House-Senate conference on this legislation in September.

## **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.

## **Health Policy Executive Committee Contact Information**

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