



**Cavarocchi-Ruscio-Dennis Associates**

# **Health Policy Report**

**September 30, 2006**

## **Overview**

The House of Representatives and the Senate have now recessed until November 13, giving themselves a six-week hiatus during which the balance of power in the next Congress will be decided. When they return, current plans call for both houses to be in session during the week of November 13, then to recess again until December 4, be in session for two weeks and adjourn for the year on December 15.

There remains far more legislative business left undone than accomplished. Of specific interest to SGIM, no appropriations bills related to health have been enacted (in fact, Congress has passed only two of the 11 spending bills required to keep the government running); reauthorization bills for Title VII and AHRQ 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, critical systemic health-related problems such as disparities in access to services and the Medicaid identification requirement are still unaddressed.

Last month we reported that when Congress returned after Labor Day, it was expected to 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. Unfortunately, even that modest prediction was too ambitious. The bill that includes VA health funding did not pass, making Defense and Homeland Security the only funding bills Congress has enacted.

This report outlines 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/Coalition Activities:** SGIM took part in a September 27 fly-in aimed at convincing lawmakers to restore Title VII programs to the FY2005 level. Education subcommittee member Dr. Olveen Carrasquillo met with key congressional offices, including those of Senators Hillary Clinton (D-NY), Charles Schumer (D-NY) and Rep. Charles Rangel (D-NY). During the meetings, advocates noted that Title VII programs represent the only federal investment in interdisciplinary training, and have a proven record of enhancing minority representation. Lawmakers were urged to restore Title VII programs to the \$300 million level. The fly-in was organized by the Health Professions and Nursing Education Coalition (HPNEC). Earlier in the month, subcommittee member Dr. Preston Reynolds traveled to Washington to meet with two key staff aides to the House Appropriations Committee, Nicole Kunko and David Reich, urging them to seek restoration of Title VII programs.

### **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. When the legislation is completed later this year, we expect this funding level to remain constant.

**NIH CTSA:** Both the House and Senate appropriations committee reports contain language supporting the CTSA proposal, as put forth by NCRR. The Senate language urges closer coordination with the former GCRCs. The House has passed a reauthorization bill for the NIH that does not specifically address CTSAs. Senate action is not expected.

**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. It is not yet known if this level will hold in the House-Senate conference, as we expect the administration to push to cut it.

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, the same as 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: CMS will be issuing a final rule this fall.

P4P and SGR: No significant action has been taken by Congress on pay-for-performance measures. However, this issue will be tied to whatever fix Congress devises to prevent the almost 5 percent cut to the Sustainable Growth Rate formula that is scheduled to take place January 1, 2007. Proposals were developed by the House Ways and Means and Energy and Commerce Committees, as well as the Senate Finance Committee, but no legislation was considered before Congress recessed for the mid-term election. This issue will be considered when Congress returns after the election for a lame duck session.

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 President's FY07 request. The difference in funding levels will be resolved in a conference between the House and Senate.

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. This is another issue that will be resolved in a House and Senate conference.

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. Both pieces of legislation differ significantly, and these differences were not resolved prior to the Congressional recess. The House bill creates a safe harbor in the anti-kickback laws that would allow hospitals to provide physicians with health IT hardware and software that is not interoperable; a similar provision is not contained in the Senate bill. This difference has created the impasse during negotiations. Efforts to reconcile the two bills will continue in order for the legislation to be considered during the lame duck session.

### **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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