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Health Policy Report

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- **THE HOUSE AND SENATE (FINALLY) PASS HEALTH INSURANCE REFORM AND THE PROCESS MOVES TO A NEW LEVEL**
- **FY10 FUNDING ENACTED BY CONGRESS FOR HHS PROGRAMS; ATTENTION NOW TURNS TO FY11 FUNDING ISSUES**

Overview

The long and difficult march continues....

With 2009 in the books and 2010 just getting underway, it is worth reviewing just how far health insurance reform has come in Congress (further than ever before) and how far it still has to go (a very, very long way!). In the House, a major reform bill was passed by a vote of 220-215 on November 2. In the Senate, a bill similar in scope but different in content was passed on December 24 by a vote of 60-39.

The action now shifts to a House-Senate conference committee that, in a traditional bill, would meet until the differences in the two approaches are ironed out and a single version – known as a Conference Report – could be brought to the floor to be passed in identical form in both house of Congress. Only then can a bill be sent to the President for his signature.

Of course, this is anything but a traditional bill. We expect that the House and Senate leadership will be deeply involved in negotiating all aspects of this

legislation and that much of it will be done behind closed doors. Serious discussions on certain provisions began at the staff level before the Senate bill even passed. Many more issues remain to be resolved. There is a strong feeling among some in Congress that they need to pass this bill before the President's State of the Union address to the nation. That speech is expected to be scheduled for late January or early February.

SGIM remains deeply involved in the discussions related to workforce issues, primary care reimbursement reforms and comparative effectiveness research, all of which are of significant import to general internists. The Health Policy Committee and its three subcommittees (Clinical Practice, Education, and Research) will continue to keep you informed of developments as they occur.

In addition to the Senate passage of health insurance reform, December was also notable because Congress finally finished its work on the FY10 funding bills, including the one that funds most programs of interest to SGIM members. Attention will now turn to FY11 with the President's budget expected to be submitted to Congress in early February.

Education Subcommittee Issues

SGIM continues to advocate for workforce issues. The health care reform bill that was adopted by the Senate includes a number of provisions advocated by SGIM, including the reauthorization of Title VII education and training programs. The measure calls for the creation of a national health care workforce commission that will regularly assess workforce needs, and make annual recommendations to Congress and the administration. The bill also extends and strengthens training in general internal medicine. This program, entitled Training in family medicine, general internal medicine, general pediatrics and physician assistantship, would provide five-year grants to develop and operate programs, provide financial aid to trainees and faculty, enhance faculty development and strengthen academic units in primary care. The newly-configured program is authorized for five years, with 15 percent of the funds appropriated to be set aside for physician assistant training programs.

Of particular note, the Senate bill no longer calls for a ratable reduction, a provision in the current statute that effectively diverts two-thirds of appropriations to family medicine.

The Senate bill also extends support for two important diversity programs. The Centers of Excellence program, which develops a minority applicant pool

to enhance recruitment, training and academic performance for minorities interested in health careers is reauthorized at \$50 million, or about 150 percent of the 2005 appropriation. The bill also extends scholarships for disadvantaged students who commit to work in medically underserved areas as primary care providers, and expands loan repayments for individuals who serve as faculty in eligible institutions.

Lastly, the Senate bill directs the HHS Secretary to redistribute residency positions that have been unfilled for the prior three cost reports and directs those slots for training of primary care physicians. Special preference will be given to programs located in States with a low physician resident to general population ratio and to programs located in States with the highest ratio of population living in a health professional shortage area (HPSA) relative to the general population.

On the appropriations front, the FY2010 omnibus spending bill adopted last month includes \$54.4 million for the Training in Primary Care Medicine and Dentistry program, an increase of \$6 million over the FY2010 comparable appropriation. Diversity training programs also received increases. Centers of excellence were increased to \$24.6 million, or \$4 million more than last year, while the Health Careers Opportunity program grew by \$3 million, to \$22.1 million.

Research Subcommittee Issues

In general, while research is not a major focus of the overall health care reform debate, one area that continues to receive a disproportionate share of attention is Comparative Effectiveness Research (CER). The House and Senate bills have differing approaches to this area of research. The House favors a science agency-based approach through AHRQ and, to a lesser degree, NIH. The Senate bill would create a private, free-standing institute with “stakeholders” on its governing board. This has raised some concerns about conflicts of interest, among others, that have yet to be addressed. SGIM will continue to work on CER as Congress moves toward final resolution of health insurance reform.

In the meantime, as noted above, progress has finally been made on research funding issues with the passage of the Consolidated Appropriations bill last month:

- The final appropriations bill for FY10 contains a 2.4 percent increase in funding for the National Institutes of Health, essentially splitting the difference between the House and Senate passed levels.

- Both houses had flat-funded the Agency for Healthcare Research and Quality (AHRQ) for FY2010 and that number held in the final bill. Of specific interest to SGIM members, however, is the provision that sets aside \$23 million of AHRQ's budget for investigator-initiated research (IIR). This has been a high priority for SGIM for several years and the effort is starting to bear fruit.
- Both houses have also accepted a recommendation from the President to increase research funding in the Department of Veterans Affairs to \$580 million from the current level of \$510 million. That level was retained in the final bill.

Clinical Practice Subcommittee Issues

- **P4P and SGR:** Congress delayed the 21 percent cut in Medicare reimbursement that was scheduled for January 1 for 2 months, giving Congress time to design a long term solution for the SGR. In the interim, there will be a 0 percent update.
- **The RUC:** The Senate health reform legislation includes a Medicare Commission that would be required to submit a proposal that would then either be approved or modified by Congress in the event that Medicare spending exceeded a specified target, but does not specifically address the RUC process. Both the House and Senate bills provide the Secretary with authority to review misvalued codes. However, only the House bill provides \$20 million for this review; SGIM is advocating for the funding to be retained during the conference process.
- **Health Disparities:** The House blended bill includes provision to increase access to individuals with limited English proficiency.
- **Health Information Technology:** HHS provided guidance and specifications by on what constitutes "meaningful use" of information technology for healthcare providers so they can qualify for incentives through Medicare and Medicaid included in the economic stimulus package. There is a 60 day comment period for interested parties to submit comments to CMS.
- **Appropriations:** The FY 2010 omnibus appropriations bill included \$58 million for rural health outreach grants, \$142 million for the National Health Service Corps and \$2.2 billion for Community Health Centers.

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