



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

October 1, 2009

- **SEPTEMBER FINDS CONGRESS AND THE ADMINISTRATION STILL WORKING ON HEALTH INSURANCE REFORM**
- **FUNDING COVERED BY A CONTINUING RESOLUTION AS APPROPRIATIONS BILLS ARE NOT COMPLETE**

Overview

Fall Looks like Spring and Summer in DC

As the weather starts to change in Washington – and the Redskins return to the field (and their losing ways) – one thing seems to be consistent throughout the entire year: Congress and the Administration are continuing to slog through health insurance reform and plod toward passage of funding legislation for FY2010.

In the House, the three committees of jurisdiction – Ways and Means, Education & Labor, and Energy & Commerce – have now completed their work. The various provisions included in the work of the three committees will be melded into a single bill in the House Rules Committee. This process is currently being actively discussed. It is expected the House bill could be ready to come to the floor in October. Whether it will be brought up for consideration is a different question.

In the Senate, the Health, Education, Labor and Pensions (HELP) Committee completed its work earlier this year. However, the Senate Finance Committee continues to work in public mark-up sessions to finalize a proposal that will receive bipartisan support. Only Senator Olympia Snowe of Maine is considered to a possible Republican vote for the bill in the Senate, although retiring Senator George Voinovich of Ohio could be a surprise vote.

The Obama administration has ratcheted up its level of involvement in the process in the last month – with the President making unprecedented public appearances arguing the need for health insurance reform. Behind the scenes involvement, which has been extensive all year, continues unabated.

In the meantime, Congress has again failed to enact its appropriations bills prior to the expiration of the fiscal year on September 30. It has passed a Continuing Resolution that will keep the government operating through the month of October at FY09 levels or below. Leaders in both the House and Senate have indicated that they intend to pass several appropriations bills individually (there are twelve) and may combine several of them into one bill.

Much remains to be done to determine whether or not healthcare reform can be enacted in the coming weeks and months. In addition, current year (FY2010) funding issues need to be finalized. SGIM, acting through its Health Policy Committee will continue to work closely with supporters in and out of the Congress to seek the provisions that most significantly benefit general internal medicine.

Education Subcommittee Issues

As work continues on health care reform, SGIM continues to advocate for workforce issues.

The pending HELP committee bill would reauthorize the Training in Primary Care Medicine program for another five years, while separating the program from general dentistry. The House version of the bill would reauthorize the program through fiscal year 2019. Both bills would create a National Center for Health Care Workforce, charged with evaluating program effectiveness. The Finance committee plan would establish an advisory committee to develop a national workforce strategy.

The House bill would provide that the federally-supported student loan fund for primary care students offer loans at two percentage points less than the applicable HEA rate. The HELP bill provides that interest on student loans will accrue only on the unpaid balance, computed only during periods when the loan is repayable; for medical school and primary health care, the repayment

occurs during practice in primary care for 10 years (including residency training) or through the date on which the loan is repaid, whichever comes first.

With regard to graduate medical education slots, the House bill calls for the redistribution of unused slots by reducing certain resident programs and increasing the primary care limit for qualifying hospitals. The Finance committee also provides for redistribution of slots, and adds stipulations with respect to the hospital's primary care training program.

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 have differing approaches to this area of research. The House (and Senate HELP Committee) favors a science agency-based approach through AHRQ and, to a lesser degree, NIH. The Senate Finance Committee bill would create a private, free-standing institute with "stakeholders" on their governing boards. This has raised some "fox and henhouse" concerns that have yet to be addressed. SGIM expects to be working on this issue throughout the legislative process of health insurance reform.

In the meantime, there have been developments on some research funding issues that merit notice:

- The White House announced on September 30 the award of \$5.0 billion in research funding through the NIH. For information on specific grants, look at [://report.nih.gov/recovery/arragrants.cfm](http://report.nih.gov/recovery/arragrants.cfm).
- The House appropriations bill contains a 3.1 percent increase in funding for the National Institutes of Health. The Senate bill's increase is only 1.4 percent, which is equal to the amount recommended by the President in his budget submission to Congress. This discrepancy is expected to be resolved this fall.
- Both houses have flat-funded the Agency for Healthcare Research and Quality (AHRQ) for FY2010. Of specific interest to SGIM members, however, is a Senate 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.

Clinical Practice Subcommittee Issues

- **P4P and SGR:** The Senate Finance Committee provided for 0.5 percent update to the SGR in 2010, but did not provide for a permanent fix to the flawed SGR formula. The Finance Committee avoided addressing this issue because of the cost associated with a permanent fix. The Committee did take a more aggressive position on providing a primary care bonus for providers whose billings include 60 percent E/M codes, including a 10 percent bonus over 5 years rather than a permanent 5 year bonus as included in the House bill. The Finance Committee also sought to expand value based purchasing by extending the Physician Quality Reporting Initiative and including penalties for providers who do not report.
- **The RUC:** Senator Jay Rockefeller's concept of strengthening MedPAC and giving it authority to implement Medicare payment policy is getting a lot of attention as the reform discussions continue. However, it was not included in the Senate Finance Committee Mark. Instead, the Mark included 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. While the Mark instructs the Secretary to examine misvalued codes, it would not alter the role of the RUC.
- **Health Disparities:** The Senate HELP Committee's Affordable Health Choices Act requires that data on health disparities be collected and analyzed for all federal health programs. The House Tri-Committee bill includes provision to increase access to individuals with limited English proficiency.
- **Health Information Technology:** HHS will offer 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.
- **Appropriations:** The House Labor-HHS appropriations bill includes \$56.6 million for Rural Outreach Grants, \$10.2 million for Rural Health Research, and \$2.19 billion for Community Health Centers. The Senate recommends \$55.4 million for Rural Health Outreach Grants, \$9.7 million for Rural Health Research, and \$2.19 billion for Community Health Centers.

Health Policy Executive Committee Contact Information

Bill Moran, HPC Chair	moranw@musc.edu
Laura Sessums, HPC Co-Chair	laura.sessums@us.army.mil
Lisa Rubenstein, Council Liaison	lisar@rand.org
Mark Schwartz, Chair, Education Sub.	Mark.schwartz3@va.gov
Ira Wilson, Chair, Research Sub.	Iwilson@tuftsmedicalcenter.org
John Goodson, Chair, Clinical Practice Sub.	jgoodson1@partners.org
Patty Harris, Chair, Member Devel. Sub.	patricia.f.harris@medstar.net
Francine Jetton, SGIM Staff	jettonf@sgim.org
Lyle Dennis, CRD Associates	ldennis@dc-crd.com
Dom Ruscio, CRD Associates	druscio@dc-crd.com
Erika Miller, CRD Associates	emiller@dc-crd.com

To volunteer to serve on the HPC and its subcommittees, please contact anyone listed above.