



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

June 1, 2010

- **FIGHTING “HEALTH FATIGUE” CONGRESS HAS TO UNDERTAKE STILL MORE WORK;**
- **IMPLEMENTATION ISSUES; FUNDING ISSUES; AND MORE**

Overview

Congress is now coming up on its annual Memorial Day recess with a lot of routine work left to do. At the same time, the comprehensive healthcare reform package that was adopted in March is generating additional responsibilities that are beyond that which they normally have to do at this time of year.

Most of Congress' efforts will revolve around funding. Some of the provisions of the healthcare reform are automatically appropriated but others will require action by the Appropriations Committees to assure that resources are put in place.

At the same time, the already existing programs of the federal government also need to be funded. So, whether it is Title VII, AHRQ, NIH, or the VA, Congress needs to act to assure that these agencies have adequate resources to meet their mandates and provide the services needed by the American people.

As we said in last month's report, there is a lot of work to in general and on these topics in particular. SGIM is well-positioned to continue to expand its role in health advocacy, but it needs your help to do it.

The leadership of the committee is listed at the end of this report. SGIM members should not hesitate to contact Dr. Moran or any of the subcommittee chairs and offer their help. The decisions that are made in the next several months will be crucial to the future course of primary care. Your help is needed today.

Education Subcommittee Issues

In an effort to help ensure that Congress does not overlook workforce education and training needs, Subcommittee chair, Dr. Angela Jackson, met with key House and Senate appropriations committee staff on May 10.

In addition to making the case for more robust funding for primary care training, Dr. Jackson alerted appropriations staff to the fact that the new health care reform law repealed a provision that has historically channeled funds away from training in GIM. She urged lawmakers *not* to dictate funding, but instead allow grants to be awarded on the basis of merit and national need.

As for overall funding for primary care training programs, appropriations staff generally bemoaned the fact that this year's budget is severely limited, and probably will not allow for much expansion.

Given the challenges ahead with implementing the new health care reform law—and the great need for generalist physicians to meet current and future health care demands—the subcommittee is encouraging SGIM members to get involved.

If you have an interest in health professions education and training issues, please contact Dr. Angela Jackson, whose contact information is at the end of this report.

Research Subcommittee Issues

The Research Subcommittee has long been involved with research issues at the National Institutes of Health (NIH), the Department of Veterans Affairs (DVA), and the Agency for Healthcare Research and Quality (AHRQ), among others.

The creation of the Patient-Centered Outcomes Research Institute (PCORI) to oversee comparative effectiveness research is one of those programs that do not need an appropriation. Immediate attention will be focused instead on populating the Board of Governors of the Institute and putting its processes and procedures in place.

The creation of the Cures Acceleration Networks (CAN) within the Office of the Director of NIH, however, does require a specific appropriation and it is not immediately clear of this effort, designed to move drug development across the so-called “valley of death” will be funded in FY11.

The subcommittee is focusing its future efforts on appropriations for research, both in terms of those authorized in the healthcare reform bill, as well as those that are on-going and critically important research programs; the creation of the boards that will oversee and advise for both PCORI and CAN; and any policies developed at any of the research agencies that will impact these or other issues.

There is widespread agreement on the subcommittee that more hands are better than fewer. For this reason, there will be a concentrated effort to increase recruitment of new members for the subcommittee.

Clinical Practice Subcommittee Issues

As Congress prepares to adjourn for Memorial Day recess, lawmakers are still attempting to pass a SGR fix to avert a 21 percent cut scheduled for June 1. The current version, which is included in H.R. 4213, “The American Jobs and Closing Tax Loopholes Act of 2010,” is a 3.5 year fix. For the remainder of this year, there would be a 1.3 percent payment update. Next year physicians would receive a 1 percent update. In 2012 and 2012, two expenditure targets would be established: the first for primary care and preventive services would be set at GDP plus 2 percent and the second for all other services would be set at GDP plus 1 percent; a floor of 0 would be included to prevent any cuts during that time. In 2014, the formula would revert back to current law, requiring an even higher cut. The cost of the SGR fix continues to be a major stumbling block as Congress cannot find a way to pay for a fix.

SGIM is working to ensure that the 10 percent bonus payment for primary care services applies broadly to primary care physicians. There has been concern that depending on how the provision is implemented many primary care physicians would not be the 60 percent threshold for providing primary care services and be denied the bonus payment. At this point, it appears that CMS will implement this provision favorably, but SGIM will continue to monitor this and work closely with our primary care allies.

Dr. Don Berwick was nominated to be the next CMS Administrator. Berwick currently serves as President and CEO of the Institute for Healthcare Improvement, and is a professor at Harvard Medical School and the Harvard School of Public Health. Some of Berwick’s writings on comparative

effectiveness research are causing opposition among Republicans. His nomination is expected to be considered this summer.

If you have an interest in clinical practice issues, please contact Dr. Scott Joy, whose contact information is at the end of this report.

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