



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

July 8, 2009

- **HEALTH CARE REFORM CONTINUES TO DOMINATE CONGRESSIONAL ACTION**
- **PRIMARY CARE WORKFORCE, COMPARATIVE EFFECTIVENESS RESEARCH, PUBLIC PLAN OPTION ARE ALL ON THE TABLE FOR DECISIONS**

Overview

Congress, Administration Get Ready

Congress and the White House have continued since our last report on June 1 to develop and refine proposals to overhaul the health care delivery and financing system in the United States. The action has become pretty intense as physicians, patients, the drug industry, the insurance industry and others press their cases before Congress and the administration.

The enormity of the task before Congress cannot be overstated. Health represents fully one in every six dollars of the entire US domestic economy. There are literally trillions of dollars at stake in this debate. But, far more importantly, the status and quality of the health care that is provided to and received by American people is hanging in the balance.

At the time of this writing, it is becoming increasingly unclear that the original plan to have a bill passed in both the Senate and the House before Congress adjourns for the August recess can be met.

In the House, the three committees of jurisdiction – Ways & Means, Energy & Commerce, and Education & Labor – have produced a single bill, although it is not complete, lacking some details with regard to financing. Parts of the so-called Tri-Committee bill are expected to be considered in those committees next week. If that goes smoothly (and that is a very big “if”), the House bill could come to the floor for a vote in the last week of July or the first week of August.

In the Senate, the picture is more complicated. The Senate HELP Committee has a bill and has begun to consider amendments to it. The committee is being chaired by Senator Chris Dodd, due to the illness of Senator Ted Kennedy, the Chairman. They are continue to work on coming up with a final product.

The Senate Finance Committee is working behind the scenes and is still attempting to develop a proposal that will receive bipartisan support. Published reports on July 8 indicate that Majority Leader Harry Reid of Nevada has told four key Republican senators that he will not cut off discussion with Republicans based on an artificial date. While this may improve the prospects for a bipartisan bill, it certainly dims the prospects for fast action. The latest Finance Committee timetable has the panel voting on a proposal July 28 – 31.

If the two Senate committees come up with final versions of a bill, the plan is to merge them on the floor of the Senate into a single bill for consideration. We now expect that, if this is to happen, it will more likely be in September.

Education Subcommittee Issues

While SGIM awaits action on health care reform, the House Appropriations Committee is slated to meet within the next few days to mark up the Labor-HHS-Education spending bill that includes the Training in Primary Care Medicine and Dentistry and diversity programs. No word yet on whether the committee will agree to the increases proposed for these programs by the Obama administration. In anticipation of the meeting, SGIM called on members to contact their elected officials, asking them to support increased funding. Senate committee action is expected later this month.

In the meantime, HRSA has yet to lay out a plan for spending \$200 million for health professions programs included in the economic recovery plan enacted earlier this year.

Research Subcommittee Issues

In general, 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). There are a number of important provisions related to CER in both the House bill and the Senate HELP bill. The Senate Finance Committee bill's provisions are not known as yet because the bill has not been released.

The House bill closely follows the provisions of Section 904 of the CHAMP Act, legislation that passed the House during the last Congress, but was never considered in the same form in the Senate. The House legislation placed the CER program under the jurisdiction the Agency for Healthcare Research and Quality (AHRQ), which currently operates a \$50 million CER program funded under the Medicare Modernization Act (MMA). This is as we had predicted in last month's report.

The Senate HELP Committee bill follows the basic outlines of the House bill, although its provisions are much less detailed than those of the House. There are some jurisdictional issues between the two Senate committees that limit HELP's role.

Senate Finance Committee Chair Max Baucus of Montana has introduced free standing legislation, separate from the health reform process, to create a new free-standing institute that would operate a CER program outside of the regular structure of the federal government. His "institute" would be governed by a stakeholder board that would include pharmaceutical interests, as well as patients, physicians, etc. However, it is not known at this point if he will add those legislative provisions to the health reform bill.

Clinical Practice Subcommittee Issues

- **P4P and SGR:** The House Tri-Committee Health Reform bill extends incentive payments for the physician quality reporting initiative through 2012. The Senate HELP Affordable Health Choices Act details a national strategy for quality improvement, which includes filling the gaps in existing quality measures. The House Tri-Committee bill outlines a permanent fix for the SGR, which would create two separate spending targets – one for primary care services; this bill also rebases the SGR to eliminate the 21 percent cut scheduled for January 1, 2010. This legislation also includes a 5 percent primary care bonus.
- **The RUC:** Senator Jay Rockefeller introduced the MedPAC Reform Act of 2009, which would make MedPAC an executive branch agency, and provide MedPAC resources and authority to implement Medicare

payment policy. If this were to become law, it could affect how the RUC's recommendations for RVUs were evaluated.

- **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 early summer 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.

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