



Cavarocchi-Ruscio-Dennis Associates

Health Policy Report

August 3, 2009

- **HEALTH CARE REFORM DEBATE EXTENDS THROUGH THE AUGUST RECESS**
- **SGIM MEMBERS NEED TO BE VISIBLE AND VOCAL ON HIGH PRIORITY ISSUES**

Overview

The Battle is Joined

Unless you have been hiking on the Appalachian trail with the governor of South Carolina, you have to be aware that Congress, the Obama administration, the health care-industrial complex, academia, the media (on the right, center and left), and just about everyone else is talking about health care reform.

As we said in last month's report, the enormity of the task before Congress cannot be overstated. Health represents fully one in every six dollars of the entire US domestic economy....and it is growing. There are literally more than two trillion 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 the American people is hanging in the balance.

Neither the House nor Senate are ready to pass health care reform – or health insurance reform, as the Obama administration now calls it – at this time. The debate is raging, sometimes in private and sometimes in the full view of the American public.

In the House, the three committees of jurisdiction – Ways and Means, Education & Labor, and Energy & Commerce – have been working on a single bill. The first two committees have completed their work, but Energy & Commerce has been involved in a protracted debate among the Democrats on the committee. The effort is targeted at finding a formulation in which the seven conservative Democrats on the committee can support the bill. The trick is to get to that point without losing the more progressive members' support.

In the Senate, the situation is at least as complicated. The Senate HELP Committee completed its work and its bill is currently being reviewed by the Office of Legislative Counsel. The final product is expected to be available in the near future.

The Senate Finance Committee continues to work behind the scenes – and behind closed doors – to develop a proposal that will receive bipartisan support. Three Democrats and three Republicans have been negotiating in secret and it remains to be seen if they can come up with a bipartisan bill. No action is expected from the Finance Committee until after the Senate reconvenes in September.

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. Last month we suggested that this is not likely to happen before September. It would now seem more likely be in October.

Education Subcommittee Issues

In mid-July the House adopted a spending bill that includes increased funding for Title VII health professions training programs. On July 30, the Senate Labor-HHS appropriations subcommittee made its recommendations for those programs.

The House bill includes: \$56.4 million for the primary care medicine and dentistry program (TPCMD), an increase of \$8 million over this year's funding level; \$24.6 million for centers of excellence, \$4 million more than current funding; and \$22.1 million for the health careers opportunity program (HCOP), or \$2 million more than the current level.

The Senate subcommittee, whose overall budget allocation is considerably less than the House, recommends \$54.4 for TPCMD, and the same as the House amounts for centers of excellence and the HCOP program. The full Senate will likely vote on the measure after Congress returns from the August recess.

Prior to both actions, SGIM called on members to contact their elected officials, asking them to support increased funding.

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). There are a number of important provisions related to CER under consideration in both the House and Senate. We will summarize the final versions of the CER provisions when the bills are finally completed in both the House and Senate.

- In the meantime, there have been developments on some research funding issues that merit notice:
- 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.
- 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 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. We are still waiting for the release of legislation from the Senate Finance Committee to see how the Committee plans to address these issues.

- **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. We hear that a version of this proposal will be in the Senate Finance Committee legislation. While there is no similar provision in the House bill, this concept has been part of negotiations between the House Energy & Commerce Chairman Henry Waxman and the moderate Blue Dog Democrats. The White House has also expressed support for this proposal.
- **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.
- **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 subcommittee recommends \$55.4 million for Rural Health Outreach Grants, \$9.7 million for Rural Health Research, and \$2.19 billion for Community Health Centers.

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