October 28, 2005

Appropriations
On Thursday, October 27, the Senate passed the Labor/HHS spending bill by a vote of 94-3. This vote clears the way for a conference committee with the House, which may begin around November 14. The House provided zero funding for the Section 747 Primary Care Medicine and Dentistry Cluster, which includes family medicine training, while the Senate Appropriations Committee allocated $90 million, a slight increase from the current level of $88.8 million.

The bill includes an amendment authored by Senators Tom Harkin (D-IA) and Edward Kennedy (D-MA) to provide $8 billion to develop an avian flu vaccine; stockpile antiviral drugs; and fund state and local public health agencies. Since this was designated as “emergency spending,” the Senate was not required to find an offset to fund these efforts. On a related issue, the Chiron Corporation, which was shut down last year due to contamination issues, has received $62.5 million from the Department of Health and Human Services to produce an avian flu vaccine. This move is on top of a $100 million contract awarded to Sanofi Pasteur recently for the same vaccine.

Medicare and Medicaid
On Tuesday, October 25, by a party-line vote of 11-9, the Senate Finance Committee approved a bill to reconcile the spending limits that are set forth in the FY 2006 budget resolution with the programs under its jurisdiction, including Medicare and Medicaid. The measure provides a 1 percent Medicare physician payment update for 2006. It also would establish a pay-for-performance program for physicians and ban federal payments to new physician-owned specialty hospitals. It would increase Medicaid coverage for severely disabled children and provide a temporary increase in the federal match for Medicaid recipients in Louisiana, Mississippi and Alabama.

Meanwhile, in the House of Representatives, the Energy and Commerce Committee, also on a party line vote of 28-22, approved their version of the budget reconciliation measure. It includes much more significant cutbacks in the Medicaid program and would impose higher co-pays, premiums and deductibles on Medicaid patients. The bill contains no changes to the Medicare program.

Both bills will be considered by the respective chambers next week. Differences will have to be reconciled in a conference committee.

Health Information Technology (HIT)
Rep. Nancy Johnson (R-CT), who chairs the House Ways & Means Subcommittee on Health, introduced her HIT bill on Oct. 27. The legislation would statutorily establish the Office of the National Coordinator for Health IT (ONCHIT); include “safe harbors” in physician self-referral (“Stark” laws) and anti-kickback laws to allow hospitals and group practices to provide physicians with hardware and software for the electronic exchange of clinical health information; require the Secretary of HHS to conduct a study and provide a report on the various state privacy laws and transaction standards, and how those laws will affect the electronic exchange of health information; require the Secretary to adopt the ICD-10 coding system by for transactions occurring on or after
October 1, 2009; and require the Secretary to develop a strategic plan to coordinate implementation for health information technology standards, HIPAA transaction standards, and new coding systems.

Patient Safety
Bill Munier of AHRQ and Peter Goldschmidt of the World Development Corporation met with the Patient Safety Workgroup to discuss provisions of the Patient Safety & Quality Improvement Act. HHS is charged with developing a system that would collect, analyze and disseminate data related to medical errors. [The Patient Safety and Quality Improvement Act was signed into law July 29, 2005. The bill creates a network for voluntary provider reporting of medical errors, with a goal of reducing future mistakes. A Patient Safety Organization (PSO) would contract with providers to analyze the errors and develop ways to prevent them.] AHRQ is leaning toward developing guidelines, in mid-to-late 2006, rather than regulations to certify these PSOs.

FamMedPAC
Contributions are starting to come in from the FamMedPAC mailing what was sent out at the beginning of October. Thus far, this mailing has generated $6850 in contributions from 79 AAFP members. A PAC insert was included in the membership renewal mailing sent out in the middle of the month. The insert urged members to consider a contribution to the PAC and listed the contact information for those state chapters that have state PACs.

The total amount of contributions received during the Congress of Delegates was $41,095. The total raised during Assembly was $2,845. Total contributions to FamMedPAC for the year are $130,000. FamMedPAC has received contributions from 507 people thus far.

FamMedPAC made contributions to the following Members of Congress this month:

- **Rep. Ralph Regula (R-OH)** $1000
  Event attended by Washington, D.C. staff. Contribution delivered by AAFP Member Dr. Jeff Bachtel in Ohio
- **Rep. Pat Tiberi (R-OH)** $1000
  Event attended and contribution delivered by AAFP members Dr. Mary Jo Welker and Dr. Randy Wexler in Ohio
- **Rep. Pete Stark (D-CA)** $1,000
  Event attended by Washington, D.C. staff and Dr. Mary Frank in Washington, D.C.
- **Rep. Patrick Kennedy (D-RI)** $1,000
  Event attended by Washington, D.C. staff
- **Rep. Bill Thomas (R-CA)** $2,000
  Event attended by Washington, D.C. staff
- **Rep. Tim Murphy (R-PA)** $1000
  Event attended by Washington, D.C. staff
- **Sen. Harry Reid (D-NV)** $1000
  Event attended by Washington, D.C. staff
- **Rep. Mike Rogers (R-MI)** $1000
  Event (10/20/05) attended by Washington, D.C. staff.
• **Sen. Bill Frist (R-TN)** $2000
  Event (10/20/05) attended by Dr. Mary Frank and Dr. Doug Henley in Washington, D.C.

Contribution criteria, approved by the FamMedPAC Board in San Francisco, are now posted on the FamMedPAC web site. At the annual meeting in January, the FamMedPAC Board will develop a budget and target list for contributions based on the approved criteria. Once the target list is approved, Government Relations Division staff will decide when to make the approved contributions. These decisions will be based on the timing of legislation, the need to reach key legislators, and the scheduling of healthcare events, among other considerations.

Washington staff is working with the Communications and Membership and Marketing Divisions of AAFP to develop a comprehensive fundraising strategy for 2006. Washington staff met this week with a PR consultant who will assist in developing the communications and fundraising plan. The PAC Board will consider the plan in January.

**STATE ISSUES**
Government Relations is finalizing preparations for the 2005 State Legislative Conference. Eighty-four members have registered to attend.

Staff has completed an overhaul of the State Advocacy portion of the website so that it features a clearer and more concise layout and navigation tools. Additionally, staff expect to have the new legislative tracking service ready for unveiling at the State Legislative Conference. To date, staff and chapters have identified nearly 1300 bills in the state legislatures for tracking.