LEGISLATION WATCH

Medicare Payments to Physicians
On November 4, by a vote of 52-47, the Senate approved its version of the budget reconciliation legislation (S. 1932). The Senate measure included a value-based purchasing (or pay-for-performance) provision and a one-year, 1.0 percent update in the conversion factor for the Medicare Physician Fee Schedule (MPFS). This mandated one-year increase would cost $10.8 billion. The passage was timely, because on November 2, the Centers for Medicare and Medicaid Services (CMS) formally published the Medicare payment rate that will go into effect on January 1, 2006, unless Congress acts to change it before then. As predicted, that rate is 4.4 percent lower than the current year’s.

The Senate’s version of value-based purchasing for health care services would start in 2007 and includes a graduated reduction of eventually 2 percent in the conversion factor for those physicians who do not report quality data to CMS. Opposed by AAFP, AMA and most of the other physician organizations, the provision will be considered by the conference committee that will have to iron out differences between the House and Senate versions.

The House narrowly passed its version of the budget reconciliation bill on November 18. The House bill is controversial because it would require more federal savings than the Senate bill would. Furthermore, it would achieve these savings, in part, by $12 billion in Medicaid savings that are derived from reductions in benefits and tighter eligibility requirements. Finally, the House bill does not include any change in the Medicare payment to physicians. The House - Senate conference committee will encounter a difficult and complex set of negotiations that include issues far beyond health care matters.

To complicate the process even further, the White House has advised the Senate that the President might veto the budget bill if it contains a provision to phase out a fund created in the Medicare Modernization Act to encourage insurers to offer prescription drug coverage under the new Medicare prescription drug benefit. The elimination of the fund would save about $5.4 billion and those funds are a significant part of the increased Medicare payments to physicians.

On Thursday, November 17, the House Energy and Commerce Subcommittee on Health held a hearing on how Medicare pays physicians. CMS Administrator Mark McClellan, MD, Ph.D., testified that the Administration would support legislation to replace the pending reductions in payments with increases in 2006 and 2007. But he placed the burden entirely on Congress to find the funds to pay for these increases and noted that Administration support requires “differential updates for physicians who report valid consensus-based quality measures.”
In Washington, DC, on November 10, AAFP leaders joined counterparts from the American College of Physicians (ACP) and the American Osteopathic Association (AOA) to represent primary care physicians and their concerns about the declining Medicare payment rates to physicians. The delegation which included AAFP President and Key Contact, Dr. Larry Fields, met with legislators in the House and the Senate and conducted a reporters’ roundtable to explain how primary care physicians, especially those in rural and underserved areas, are finding it increasingly difficult to care for Medicare patients.

Meanwhile, CMS will implement a voluntary physician quality reporting initiative that will begin January 1, 2006. In announcing the program, CMS administrator Mark McClellan stressed the voluntary nature of the initiative, indicated that the CMS-adopted “G” codes would facilitate reporting of the information, and that it was intended to get physicians used to reporting data related to quality in preparation for pay-for-performance in the Medicare program. However, he also stressed that mandatory pay-for-performance in the Medicare program will require Congressional action.

The AAFP has written a letter objecting to the program because it does not use evidence-based measures approved by the Ambulatory Care Quality Alliance and reviewed by the National Quality Forum. The AAFP Board Chair also objected to proposing such a system in light of the declining rate of Medicare payments to physicians and without funds to support the technology that it will require to provide electronic reports.

Appropriations
In an extraordinary turn of events, on November 17, the US House of Representatives defeated the conference report to the Labor/HHS spending bill by a vote of 224-209. The conference document not only had made severe cuts in numerous programs, but it also had removed all earmarks from the bill.

Section 747, which includes dollars for family medicine training, received a 68.3 percent cut in funding (a drop from $88.8 million to $28.2 million) and all of Title VII health professions programs (non-nursing) received a cut of 67.5 percent (from $299.6 million to $97.4 million).

Other programs received similar or deeper cuts. Geriatrics programs and Rural Health Research were zeroed out. Area Health Education Centers (AHECS) received a 93.1 percent cut, while Rural Outreach grants were cut by 72.6 percent. The Agency for Healthcare Research Quality (AHRQ) did relatively well in comparison and received level funding.

On the same day, the House passed a continuing resolution to keep the government operating through December 17. The bill maintains Section 747 at its current FY 05 funding level.

With the expectation that the bill will be returned to the conference committee, the Senate, on November 18, voted on two motions to instruct conferees to the Labor/HHS measure. The first one, offered by Appropriations Labor/HHS subcommittee chair Senator Arlen Specter (R-PA) and Senior Democratic member Senator Tom Harkin (D-IA), designated $2 billion of the bill’s funding as emergency spending, thus requiring no offsets. The motion passed overwhelmingly by a vote of 66-28. The next motion was offered by Sen. Richard Durbin (D-IL) and directed conferees to maintain funding for NIH at the Senate level. That motion passed 58-36.

Health Information Technology
On Friday, November 18, by voice vote, the Senate approved the Wired for Health Care Quality Act (S. 1418) that would promote the use of health care information technology. Senators Mike Enzi (R-WY), who chairs the Senate Health, Education, Labor and Pensions Committee, Edward Kennedy (D-MA), who is the senior Democratic member of the committee, Bill Frist (R-TN) and Hillary Clinton (D-NY) sponsored the bill. It would allow HHS to award grants to hospitals, group physician practices and other health care providers to help increase the use of health I.T. systems.
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. AAFP has sent a letter of support for the legislation, with the renewed request to consider designating the International Classification of Primary Care (ICPC) as an acceptable coding source.

**Graduate Medical Education**

Letters from Congress to CMS administrator Mark McClellan urging an administrative resolution to the issue of volunteer faculty in residency training in non-hospital settings have met with no definitive CMS response despite the fact the letters garnered 43 signatures in the House and 61 in the Senate.

Consequently, a legislative tactic has been employed. Senator Olympia Snowe (R-ME) and others have introduced S. 2071 and Rep. Kenny Hulshof (R-MO) and others have introduced HR 4403 which defines “all or substantially all” in a tighter, more controlled fashion thus prohibiting CMS from auditing and requiring refunds from programs which use (but do not pay) volunteer faculty as preceptors in the nonhospital setting. A Key Contact Alert has been issued and all members are urged to use a model letter on “Speak Out” to request that their Senators and Representative cosponsor the legislation.

**FamMedPAC**

In June of this year the Academy established the Family Medicine Political Action Committee known as FamMedPAC. In six short months FamMedPAC has received $134,000 in contributions from 523 AAFP Members and staff.

Washington staff is working with the Communications and Membership and Marketing Divisions of AAFP to develop a comprehensive fundraising strategy for 2006. The PAC Board will consider the plan at its January meeting.

The FamMedPAC Board recently approved the criteria that will be used to determine who will receive contributions in the current election cycle. The criteria are available to AAFP members on-line. The PAC will direct its contributions to those candidates (primarily sitting Senators and Representatives) who serve on key committees and subcommittees, who hold positions of leadership, or who have supported AAFP’s key legislative priorities through bill cosponsorship or votes in favor of AAFP-supported legislation. Priority will be given to supporting events for those candidates who hold healthcare-specific meetings and fundraisers. These events allow the candidates to focus solely on healthcare issues and to hear AAFP’s specific concerns and priorities in the current Congress. Events primarily take place in Washington and are attended by AAFP Board members and FamMedPAC Board members if they are in town, or otherwise by Government Relations staff.

FamMedPAC also will target contributions to Senators and Representatives who represent the states and congressional districts of the members of the AAFP Board of Directors and the FamMedPAC Board of Directors. The goal is to have every Board member attend an event for a federal legislator in that home state. This strategy will enhance the contacts between these AAFP leaders and their federal legislators. In addition, every effort will be made to have most contributions delivered at home by AAFP members who live in the districts and
states of the legislators receiving contributions. This strategy allows AAFP members to improve an existing relationship, or develop a new relationship with their Member of Congress, and can help grow our Key Contact program.

To date, FamMedPAC has contributed $11,000 to 9 federal legislators. If you would like to deliver a FamMedPAC donation to your key legislator, please contact Mark Cribben, Director of FamMedPAC at mcribben@aafp.org.

Federal Key Contact Program
Recruitment efforts continue to add AAFP members to the federal Key Contact Program. Currently, the targeted Congressional legislators include Senate and House leadership as well as members of the Senate Finance Committee and Health Education Labor and Pensions Committee, and the members of the Health Subcommittees of Energy and Commerce and Ways and Means Committees in the House. Additionally, Appropriations (Labor HHS subcommittee) members in both chambers are being targeted.

Relying on chapter leaders for recommendations and feedback on potential AAFP members to serve as federal Key Contacts, Government Relations staff have sent direct communications to the chapters outlining the program goals and the responsibilities, commitment and expectations associated with the program.

The most recent communication has met with some success as 55 percent (71 of 129) of the targeted federal legislators have been assigned an AAFP Key Contact.

In addition, we are using the major contributors to FamMedPAC as a source of potential Key Contacts in the ongoing efforts to recruit new members.

Save the Date – FMCC Scheduled for May
The Family Medicine Congressional Conference for 2006 had been scheduled for May 9-11. We all know grassroots advocacy is a continuous process which is why regular attention to developing personal relationship with your congressional legislator is essential. While most of your contact with your legislator’s Washington and local offices is from home, the Academy annually arranges a “Lobby Day” in Washington to provide an additional opportunity for grassroots member interaction with congressional lawmakers in our nation’s capital.

Key Contacts are an integral element of the FMCC and many of you will be invited to attend this conference, particularly if your legislator may take up a bill that has a high priority to the Academy. Please save these dates and stay tuned as the invitations for the FMCC will be extended in early 2006.

Tell Us Your Success Stories
Many of our AAFP Federal Key Contacts have personal success stories to relate. If you are in that group, please share with us what you have done to “connect” with your federal lawmaker. Stories such as Washington state’s Dr. Anne Montgomery hosting her Congresswoman, Rep. Cathy McMorris at her practice. Or Ohio Key Contact Dr. Jeff Bachtel hand-delivering a FamMedPAC check to his legislator, Rep. Ralph Regula, and Dr. Bill Gifford of Michigan doing the same when meeting with his congressman, Rep. Mike Rogers.

We can all learn from what others are doing to advance the causes and positions of AAFP. Share your stories with us to help advance the AAFP Federal Key Contact program.
Resources to Assist You

The Academy’s Web Site:  http://www.aafp.org

Policy & Advocacy
Positions & Policies (http://www.aafp.org/policies.xml)
Robert Graham Center (http://www.graham-center.org/)
Federal Advocacy (http://www.aafp.org/x3318.xml)
Health Care in 2004 Campaigns (http://www.aafp.org/x22202.xml)
Speak Out (http://capitol.aafp.org/)
Patient Voices in Washington (http://www.aafp.org/x21354.xml)
Legislation Endorsements and Letters to Congress: (http://www.aafp.org/x3431.xml)

Speak Out: AAFP’s Legislative Action Center for Federal Legislative Alerts
It’s efficient and effective to use Speak Out. Speak Out: http://capitol.aafp.org
Enter your zip code under Congress & President and Click Go!

Useful Federal Government Web Sites
Thomas: Legislative Information on the Internet – (http://thomas.loc.gov/) Current federal legislative Information: bills, laws, Congressional Record reports and links to further information.

The White House – (http://www.whitehouse.gov/) The official web site for the White House and President George W. Bush. This site is a source for information about the President, White House news and policies, White House history and the federal government.

United States House of Representatives – (http://www.house.gov/) Schedule, legislative and member information as well as search engines for the U.S. House of Representatives’ Web sites.

United States Senate – (http://www.senate.gov/) Schedule, legislative and member information as well as search engines for the U.S. Senate Web sites.

Centers for Medicare & Medicaid Services – (http://www.cms.hhs.gov/) The Centers for Medicare & Medicaid Services (CMS), formerly the Health Care Financing Administration (HCFA), is a federal agency within the U.S. Department of Health and Human Services. CMS runs the Medicare program, Medicaid program and State Children’s Health Insurance Program (SCHIP) -- three national health care programs that benefit more than 80 million Americans.

Medicare Payment Advisory Commission –(http://www.medpac.gov/) An independent federal body that advises the U.S. Congress on issues affecting the Medicare program. The commission’s 17 members, who bring diverse expertise in the financing and delivery of health services, meet publicly to discuss policy issues and formulate recommendations to the Congress on improving Medicare policies.

Agency for Healthcare Research and Quality – (http://www.ahrq.gov/) Provides practical health care information, research findings and data to help consumers, health providers, health insurers, researchers and policymakers make informed decisions about health care issues.

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