Appropriations
On Tuesday, June 13, by voice vote, the House Appropriations Committee approved its proposed spending bill for Labor, HHS, Education and related agencies.

The FY 2007 bill includes $141.9 billion in discretionary funding, which is a slight boost to the amount provided in FY 2006 ($141.1 billion). Dollars for discretionary funding will increase slightly less than 1 percent (approximately 0.6 percent).

The Section 747 Primary Care Medicine and Dentistry Cluster, which contains dollars for family medicine funding, received $40.9 million, which is the same amount provided in FY 2006. This figure maintains the debilitating cuts that were made to Section 747 when the program’s funding declined from $89 million to $40.9 million in FY 2006.

Health Information Technology
The House Energy & Commerce Committee and the Ways & Means Committee held marathon sessions on Thursday, June 15 to debate the Health Information Technology Promotion Act (H. R. 4157). Energy & Commerce took up its version, which had stripped out provisions that allowed federal privacy rules to pre-empt state law and that called for the upgrade to ICD-10 by 2009. Numerous amendments were offered, including several from the previous week’s subcommittee consideration. Several members mentioned the need for funding to assist small and medium-sized practices invest in HIT, but no amendments offering such funding were successful. At one point in the hearing, the Subcommittee Chair, Rep. Nathan Deal (R-GA), said passing HR 5 - the medical liability bill - would go a lot further toward putting funds back in the hands of the physicians.

The only amendment that was accepted passed on a voice vote. Offered by Reps. Mike Ferguson (R-NJ) and Edolphus Towns (D-NY), the amendment authorizes $30 million in grants for community health centers and for healthcare providers who coordinate care for uninsured, underinsured, and underserved patients. The committee approved the amended bill by a vote of 28-14.

The Ways & Means Committee had significantly fewer amendments and tight time limits for those amendments. Rep. Lloyd Doggett (D-TX) engaged the health subcommittee Chair Nancy Johnson (R-CT) in a colloquy regarding her interpretation of the state pre-emption. It was her “guess” the language would allow state privacy laws to supercede federal laws if the current state protections were “better” than those in the federal law. There was some discussion with legislative counsel, and Rep. Doggett queried her on her use of the word “guess” to which she responded the Secretary would be involved in the interpretation. Rep. Doggett eventually offered an amendment to eliminate this provision, which failed. The Ways and Means Committee approved its version by a vote of 23-17.
Leaders of both committees plan to meet this week to resolve some significant differences in the two versions. It is still expected to be ready for the House to debate next week.

**Medical Liability Reform**
The House is still planning to bring medical liability to the House floor next week. We are expecting to see the same version of HR 5 that passed last year.

**Medicaid Provider Tax**
On June 13, by voice vote, the House Appropriations Committee approved an amendment to the Labor/HHS appropriations bill that would prevent the Centers for Medicare and Medicaid Services (CMS) from implementing for one year a rule that is under consideration that would gradually lower the Medicaid provider tax from 6 percent to 3 percent. In the administration’s view, states are using the money collected from providers as leverage to hike their share of federal Medicaid matching funds. By reducing the amount that states can collect this way, the administration hopes to save billions of dollars in federal Medicaid spending. However, the amendment to the appropriations bill is based on the belief that the administration does not have the authority to reduce the tax rate without Congressional action.