Appropriations
On June 22, the Senate Appropriations Committee approved transferring $9 billion from President’s Bush’s defense request to other subcommittees, including $5 billion to programs under the jurisdiction of the Labor/HHS panel. While the Chair of the Labor/HHS Subcommittee, Sen. Arlen Specter (R-PA), had sought an extra $7 billion for health and education over the original allocation, the $5 billion amount is certainly a positive development. This may make it more feasible for the Subcommittee to provide additional funding for Title VII Health Professions Grants.

Health Information Technology
The House Energy & Commerce Committee and the Ways & Means Committee were not able to resolve differences in their versions of the Health Information Technology Promotion Act (H. R. 4157) in time for consideration by the House of Representatives this week. Only the Energy and Commerce Committee version includes any direct funding for HIT because it would authorize $30 million to assist medically underserved areas. The next deadline set for floor debate will most likely be sometime in July after the Independence Day recess.

On Wednesday, June 21, Senator Ensign (R-NV), who chairs the Senate Commerce Committee's technology, innovation and competitiveness subcommittee, held a hearing on Accelerating the Adoption of Health Information Technology. Sen. Ensign asked Dr. Carolyn Clancy, Director of the Agency for Healthcare Research and Quality (AHRQ), about the progress at AHRQ. She spoke of the interest in HIT as an opportunity to improve care safety, quality and efficiency of care. She described the work of the American Health Information Community (AHIC), a federal commission to establish interoperability standards for HIT. Currently, it is attempting to reduce some 90 standards for interoperability to a more manageable set by the September deadline.

Former Speaker Newt Gingrich (R-GA) also addressed the subcommittee. While he has many ideas to improve HIT acceleration, he focused on the problem of the Congressional Budget Office to accurately account for the costs and benefits of new technology like HIT.

The Senate Committee on Homeland Security and Governmental Affairs subcommittee on federal financial management, government information, and international security also held a hearing on HIT, entitled Lessons Learned: Assuring Healthy Initiatives in Health Information Technology. The focus of the hearing was the advancement of a national strategy for electronic health records primarily within the federal government. Subcommittee members praised the progress that the Veterans’ Administration has made with its HIT system, while surprisingly little was mentioned about the recent breach of security with the VA medical records. Senator Tom Carper (D-DE), who attended the hearing, is a strong advocate of electronic medical records and used the hearing to query witnesses about prospective legislation he is drafting that would
require insurance companies to provide an EHR for federal employees. Dr. Michael Kussman, Deputy Under Secretary for Health with the U.S. Department of Veterans Affairs said the challenge would be to draft language that ensured those records complied with current interoperability and privacy standards, but also kept up with the rapid changes to this technology.

Medical Liability Reform
Sen. Mike Enzi (R-WY), who chairs the Senate Health, Education, Labor and Pensions Committee hearing, held a long-delayed hearing on his legislation to authorize grants for states to carry out pilot programs on alternative dispute resolution. The Fair and Reliable Medical Justice Act (S 1337) includes health courts, state administrative boards, and early disclosure and compensation programs. The bill remained in the background while efforts proceeded on legislation to cap non-economic damages, but has resurfaced as another effort to reform the medical liability system. Sen. Baucus (D-MT) is a cosponsor of the legislation, though it does not seem to enjoy broad bipartisan support.

The American Trial Lawyer Association and the American Bar Association both oppose the bill. Cheryl Niro from the American Bar Association's Standing Committee on Medical Professional Liability testified the ABA opposes health courts and advocates "voluntary arbitrations, mediations, and settlement conferences," all of which currently exist. Senator Enzi asked what the ABA was doing to help ensure patients who were harmed were among those compensated, Ms. Niro responded the ABA has no policy on that, but their goal is to provide access to all.

Community Health Centers
House leaders intended to bring medical liability legislation and the HIT bill for consideration by the House this week. However, while neither bill was ready for floor debate, legislators did pass non-controversial bills to reauthorize funding for community health centers and for graduate medical education for children's hospitals. The Health Centers Renewal Act (HR 5573) passed by a vote of 424-3, while the Children's Hospital GME Support Reauthorization Act passed by a vote of 421-4. As evidenced by the votes, the bills had broad bipartisan support.

The community health centers measure would authorize $10 billion in funding for the federal community health centers program over the next five years. The measure would also preserve other elements of the program, including the 51 percent patient majority governing board. The graduate medical education measure would reauthorize for five years $300 million annually for the federal Children's Hospitals Graduate Medical Education Program

State Government Relations
There are currently 11 states (AZ, CA, DE, MA, MI, NC, NJ, NY, OH, PA, RI) in session with two states (OK, NH) in recess.
Medicaid
States are responding to the 2006 Deficit Reduction Act that granted greater flexibility in regard to benefits, patient charges and expansions.

Florida – Medicaid privatization begins in September for those in Jacksonville and Broward Counties. Health officials will rate the health of every patient in the two counties and pay only for as much care as the populations are predicted to need. Patients will select one from 19 differing plans with various benefits.

Kentucky – Many adults will face higher co-payments and new limits on prescriptions. Medicaid patients will be divided into four categories based on health and age with specific benefits for each group. Those opting for disease management programs could earn credits towards additional benefits such as smoking cessation programs.

Louisiana – Work began on a Medicaid redesign plan with the explicit goal of providing a “medical home” for all beneficiaries. The state hopes to have its plan to the US Department of Health and Human Services by October. Few concrete details presently exist; however, there is a desire to use existing funds to cover more people. Some early discussions revolved around instituting co-pays and refocusing Medicaid towards primary and preventive care. Louisiana also aims to institute some form of pay-for-performance as part of its redesign package.

Missouri – A recently passed law calls for the current Medicaid system to be abolished in 2008 with the replacement program under design.

New York – State lawmakers agreed to overhaul the state’s pursuit of Medicaid fraud. The agreement reached by lawmakers would broadly expand what is a minimally financed inspector general’s office, infusing it with resources to root out fraud in the Medicaid program, which is by far the largest single expense in the state’s budget.

Oklahoma – Changes to the system passed this session will permit the state to pay health plans a defined amount based on patient health.

West Virginia – Starting on July 1, a redesigned program will require nearly 160,000 patients—mostly parents of children enrolled in the program—to execute an agreement indicating a commitment to adhere to prescriptions, physician appointments, and less use of the ED. Those who follow the agreement will receive credits every three months towards purchasing additional benefits. Those refusing to sign-up for this presently voluntary portion of Medicaid, as well as those who do not adhere to their agreements, will be enrolled in a basic coverage plan with limited benefits.

Uninsured
California – Mayor Gavin Newsom of San Francisco announced an ambitious proposal that would make the city the first in the country to provide taxpayer-subsidized health care to all uninsured residents, covering services like doctor visits, surgeries and prescription drugs. San Francisco is home to an estimated 82,000 uninsured residents, who typically go to public clinics and hospitals for treatment. The plan, dubbed San Francisco Health Access Program, would offer people the primary and preventive health
care they lack and allow them to access hundreds of doctors in public and private hospitals and clinics.

*Tennessee* - Gov. Bredesen (D) signed his Cover Tennessee health care plan legislation on June 12 to cover more than 600,000 workers in the state who are uninsured. The state legislature passed Cover Tennessee, Bredesen’s top priority this session, (Senate 31-1, House 78-19) with minor changes shortly before adjournment on May 27.

Plan coverage is anticipated to begin in early 2007. The legislation calls for at least two companies to offer coverage. As opposed to the Massachusetts legislation, Cover Tennessee is optional. The plan offers low-income workers a chance to buy basic subsidized health insurance factored at $150, giving employers an option to help pay part of the premium ($50) with the state paying $50, and workers paying the rest.