Note: Congress has adjourned for the Independence Day holiday to return on July 11.

Appropriations
The House of Representatives adjourned on Thursday, June 29, after having passed 10 of the 11 appropriations bills for funding government programs in FY 2007. The only one that they failed to consider was the Labor/HHS measure (H.R. 5647). The bill is stalled because Congressional Democrats and some Republicans intend to offer an amendment that would raise the minimum wage. The GOP leadership opposes the measure, but does not yet have the votes to prevent it.

Meanwhile, the Senate Appropriations Committee is scheduled to vote on its version of the bill on Thursday, January 20. No figures have been released yet.

Health Savings Accounts
On Wednesday, June 28, the House Ways and Means Committee held a hearing on whether health savings accounts have improved health insurance and reduced costs. Supporters, including Karen Ignagni, President and CEO of America’s Health Insurance Plans (AHIP) insisted more of the previously uninsured have purchased insurance coverage, while Jeffrey Cava, Human Resources VP for Wendy’s described a decline of 14 percent in health insurance claims during the first year that HSAs became available to their employees. Opponents, like Sara Collins, Assistant VP of the Commonwealth Fund, noted that the high deductible plans that are offered with HSAs are unpopular and likely to deter people from seeking health care because of the high out-of-pocket costs. Other witnesses noted that preventative and primary care are usually avoided when patients cannot afford first dollar coverage.

Health Information Technology
Discussion on the Health Information Technology Promotion Act (H. R. 4157) continues. Rep. Pat Kennedy (D-RI) has drafted an amendment that would provide grants to physicians and increase privacy protections. We are reviewing the language and working with Kennedy's office on strategy to garner support for funding.

Medical Liability Reform
The House Energy & Commerce Committee is planning a hearing late in July on reforming the liability system with a focus on alternative dispute resolutions. No specific legislation is targeted and leadership plans to use the opportunity to discuss caps on non-economic damages as one tool of reform.

Medicaid Proof-of-Citizenship Requirement
Tomorrow, on July 1, a new provision of the Medicaid program goes into effect. Those applying for Medicaid coverage will now have to show proof of citizenship to receive benefits. Those who are currently receiving Medicaid will have to provide proof of their citizenship when they re-enroll. The provision puts the coverage of many enrollees at
risk, particularly the developmentally disabled, mentally ill, homeless, and elderly enrollees who may not have in their possession or access to documentation satisfying the new requirements. A class-action lawsuit has been filed to prevent enforcement of this law, but CMS has informed state Medicaid offices that a state’s failure to enforce it will jeopardize federal matching funds.

**Dietary Supplements**
By voice vote on Wednesday, June 28, the Senate Health, Education, Labor and Pensions Committee approved the *Dietary Supplement and Nonprescription Drug Consumer Protection Act* (S. 3546), which would require manufacturers and distributors of dietary supplements to report to the FDA any adverse events associated with their products. While this bill would retain the exemption of dietary supplements from requirements to prove efficacy and safety, it is the first time that FDA would be given even limited enforcement authority over these products. The bill also would pre-empt any state reporting requirements.

**FamMedPAC Activities**
Government relations staff attended a lunch for Rep. John Shimkus (R-IL) a member of the House Energy & Commerce subcommittee on health. Rep. Shimkus voted for passage of the *Health Information Technology Promotion Act* (HR 4157) in committee, but he opposes the inclusion of grants in the bill. He said hospital representatives have told him they do not need funding. AAFP staff explained why family physicians in small and medium sized practices needed upfront funding to counteract the considerable costs to the practice – in addition to the initial cost, the short-term loss in productivity and the ongoing maintenance costs are a huge disincentive for implementing these systems. He believes the privacy provisions included in HIPAA are adequate and opposes any efforts to increase the existing protections.

AAFP attended a dinner for Rep. Joe Barton (R-TX), who chairs the Energy and Commerce Committee. He discussed the issues involved in physician payment. His solution would be to allow physicians to use balance billing. He thought that the Ways and Means Committee staff and his staff were close to resolving differences between the two HIT bills. He noted the areas of disagreement were the date for the coding issue, the privacy protections and some level of support for technology acquisition. He thought the final bill would be closer to the Energy and Commerce Committee version, because it seems to be the one that leadership supports. He intends to have several physician-issue hearings of the full committee in July, including one on physician payment, one on pay-for-performance and one on alternatives to malpractice litigation.

Government Relations staff attended a small healthcare lunch this week for Rep. John Tanner. Rep. Tanner serves on the Ways and Means Committee. He spoke about the need to address the Medicare payment formula, but did not know when the House would take up the issue. He expects the House to come back into session following the mid-term elections in November to deal with this and several other issues, including appropriations. We spoke about the need to include funding in any HIT bill and to address privacy concerns. Rep. Tanner is in agreement with our position on this issue.
The AAFP was represented at a luncheon meeting of the Democratic Congressional Campaign Committee, which was hosted by Rep. John Dingell (D-MI). Also attending were Rep. Bart Gordon (D-TN), Lois Capps (D-CA), Gene Green (D-TX), Charlie Gonzales (D-TX) and Hilda Solis (D-CA). Rep. Dingell discussed the Medicare Prescription Drug Benefit and the difficulties that accompanied its introduction. He promised that, if the Democrats reclaim the House, the committee will revisit the legislation with the intention of reducing the confusion.

STATE GOVERNMENT RELATIONS

Uninsured

Illinois – The state will begin enrolling children in its new AllKids program this weekend. The program expands health insurance coverage to the children of middle income parents unable to gain coverage through employers or the private market. Republicans in the state have called the program a campaign move by Democratic Governor Rod Blagojevich, citing its still unclear source of funding and state estimates that it will be much more expensive than originally envisioned.