



Senate Health Reform Action Possibly Delayed until the Turkey is Digested

House Health Reform Activities

With a push from physician groups, this week the House is expected to take up the Medicare Physician Payment Reform Act of 2009 (H.R. 3961) that would replace the SGR and increase physician reimbursements by 1.2% in 2010, canceling the scheduled 21% cut due at the beginning of next year. CBO said the bill would have a net cost of \$210 billion over 10 years. **House Majority Leader Steny Hoyer** has issued a revised legislative calendar scheduling possible roll call votes almost to Christmas Eve. The House will be in session the weeks of November 16, November 30, December 7 and December 14. Signaling future snags in the House if the Stupak amendment is not changed during conference, over 40 Democrat members wrote to **House Speaker Nancy Pelosi** saying the amendment “represents an unprecedented and unacceptable restriction on women’s ability to access the full range of reproductive health services to which they are lawfully entitled. We will not vote for a conference report that contains language that restricts women’s right to choose any further than current law....” Other critics of H.R. 3962 include the entire Republican conference, medical device makers who object to a new tax on their industry, the National Governor’s Association and hospitals who are concerned about expanding eligibility for Medicaid to all those with incomes below 150% of the federal poverty level at a time when states are struggling with severe budget shortfalls. An NGA report said it would take

states nearly a decade to emerge from the recession and that states were able to ward off the most draconian of Medicaid cuts because of enhanced federal matching funds for the program included in the American Reconstruction and Recovery Act (ARRA), also known as the stimulus bill, the funding of which ends in 2010.

Senate Health Reform/ Appropriations Activities

The Senate is expected to take up the FY2010 Military Construction/ VA appropriations bill this week; an omnibus appropriations bill may soon become the only option for the other remaining appropriations bills, including LHHS, given the waning number of legislative days. Although **Senate Majority Leader Harry Reid** put the House-passed “Affordable Health Care for America Act, H.R. 3962, on the Senate calendar last week, the lack of final CBO scores on the Reid version will likely delay a motion to proceed until after the Thanksgiving recess. The Senate debate, assuming

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60 votes are obtained to end the expected Republican filibuster, is likely to extend through the first three weeks in December.

Senator Reid said the Senate will be in session as long as required to pass health reform. To help raise revenues to pay for reform, Senator Reid is reportedly considering an increase in the Medicare payroll tax for those earning more than \$250,000 to offset a revenue reduction in the so-called Cadillac insurance tax under the Finance bill that would result by increasing the

taxable value of a family plan from \$21,000 to \$23,000. Signaling the tough sledding ahead in the Senate, **Senator Susan Collins** has said she plans to offer either an alternative amendment to the bill or amendments seeking to change various provisions which she says would increase health care premiums for many individuals and hurt small businesses. She has also expressed opposition to the provider fees in the Finance bill and said the Medicare reimbursement cuts would cause providers to raise

prices for care funded by private insurers. **Senator Alexander** said Republicans will focus on how the bill would raise costs and premiums for individuals, how Medicare cuts would affect seniors and how the bill would force some employers to drop their current health plans. **Former President Bill Clinton** weighed in with Senate Democrats urging them to quickly finish health reform, realizing that time is the enemy of reform enactment, if it slips into 2010.

CMS Issues RFP for MD Resource Contractor

CMS announced it will issue an RFP in the next few months to find a contractor to develop a software program to measure and compare physician care delivery in an effort to reduce what the agency said is the “unsustainable” rate of health care cost growth and to improve quality.

HHS Grant to Reduce Infections at ASCs

HHS announced it will release up to \$9 million in ARRA funds to state survey agencies in 43 states with the goal of preventing health care-associated infections (HAIs) in ambulatory surgical centers. In addition to the \$9 million, the CDC has released \$40 million for state health agencies to implement or expand HAI prevention and surveillance initiatives. All states receiving government funds are required, under the HHS HAI Action Plan, to submit HAI reduction plans to HHS no later than January 1, 2010.

Health Reform Update

MedPAC on MA and CED

Recently, the Medicare Payment Advisory Commission approved an eight-part methodology that could be used to compare performance measures among Medicare Advantage plans and between the Medicare managed care system and fee-for-service Medicare. The ultimate goal is to provide help to Medicare beneficiaries in making appropriate choices for their health care coverage; however, the system is expected to have a substantial cost. MedPAC staff also presented information on coverage with evidence development (CED), a tool for Medicare that permits payers to move beyond yes/no coverage decisions. They said it is utilized sparingly and there remain key challenges to wide implementation. Staff said CED is important

because it can help address the tension between developing evidence-based policies and being responsive to the pressure to pay for medical services. According to MedPAC, a key challenge to Medicare using CED is the unclear statutory foundation such that the authority under Medicare to cover “reasonable and necessary” services is not exclusively used for CED and the definition of the phrase itself is unclear. Commissioners discussed the possibility of recommending a clearer definition of “reasonable and necessary” for use in CED. MedPAC staff said a clearer statutory foundation might enable a number of positive changes for CED: the development of a formal mechanism to identify and select services for CED and the development of more articulated

standards to conduct CED studies. In another presentation, MedPAC staff said the medical education system is not serving what society needs and is not self correcting. They said Medicare should make adjustments to support the delivery system reform needed to correct the educational issues. They said the problem that is specific to current Medicare graduate medical education (GME) and indirect medical education (IME) payments is that the payments are predominantly being made to teaching hospitals and that the payment imbalance creates financial disincentives for residency experience outside the hospital. MedPAC commissioners said they will continue to discuss the issues associated with medical education at their meeting in March 2010.

S. 2750 (NURSES), to amend the Public Health Service Act to authorize the secretary of health and human services to make grants to eligible States for the purpose of reducing the student-to-school nurse ratio in public secondary schools, elementary schools, and kindergarten; SCHUMER; to the Committee on Health, Education, Labor, and Pensions, Nov. 6.

H.R. 4038 (REFORM PROPOSALS), to take meaningful steps to lower health care costs and increase access to health insurance coverage without raising taxes, cutting Medicare benefits for seniors, adding to the national deficit, intervening in the doctor-patient relationship, or instituting a government takeover of health care; CAMP; jointly, to the committees on Energy and Commerce, Ways and Means, Education and Labor and the

Judiciary, Nov. 6.

H.R. 4039 (MEDICAL LITIGATION), to improve the medical justice system by encouraging the prompt and fair resolution of disputes, enhancing the quality of care, ensuring patient access to health care services, fostering alternatives to litigation, and combating defensive medicine, and for other purposes; DENT; jointly, to the committees on Energy and Commerce and the Judiciary, Nov. 6.

H.R. 4047 (MEDICAID), to use historical averages to calculate the Federal Medical Assistance Percentage for disaster affected states for purposes of the Medicaid Program; CAO; to the Committee on Energy and Commerce, Nov. 6.

H.R. 4048 (VETERANS' HEALTH), to direct the secretary of veterans affairs to carry out a

pilot program on the provision of traumatic brain injury care in rural areas; CAPITO; to the Committee on Veterans' Affairs, Nov. 6.

H.R. 4053 (CHILDHOOD OBESITY), to establish the Office of Childhood Overweight and Obesity Prevention and Treatment within the Office of Public Health and Science of the Department of Health and Human Services, and for other purposes; MORAN of Virginia; jointly, to the committees on Energy and Commerce and Education and Labor, Nov. 6.