

Advocacy

ADVISORY

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HOT TOPICS FOR ADVOCACY IN THIS ISSUE

THIS ISSUE of the Advocacy Advisory will focus on topics of current interest within the 110th Congress – including an examination of the outlook for health care issues:

- 1) The State Children’s Health Insurance Program (SCHIP) might be the most important piece of legislation to be addressed this year. SCHIP requires re-authorization during this congressional session. Unless Congress changes the budget baseline rules for SCHIP, funding will remain frozen at FY2007 levels for the long term. President Bush included a freeze in his proposed budget. Many states that were looking at increasing their coverage to more children are putting their programs on hold until additional funding is assured. In addition to the funding issue, many of the children who are eligible for coverage under SCHIP in many states did not get enrolled. Remediating this situation requires additional hearings and most likely, additional funding.
- 2) The Medicare drug program is also on the table for discussion – some lawmakers believe that Medicare needs to be able to negotiate with drug manufacturers for best prices, but others believe that the best prices are available now and the introduction of formularies would work to increase costs. Most agree that there should be a move in the program to the use of generics.
- 3) Reimbursement rates for physicians are an important issue. The primary concern involves the annual effect of the Sustainable Growth Rate (SGR). Many on Capitol Hill believe this must be dealt with a long term manner rather than addressing the 5-6% deficits required under the SGR each year.
- 4) Health Information Technology – Congress is looking for a funding mechanism for hospitals and physicians to purchase HIT necessary to track quality measures, support electronic health records, and collect data that will be useful in determining new quality measures as time goes on.

The CHRISTUS position is consistent that federal health care dollars must be preserved in programs such as Medicare and Medicaid, as both of these programs these serve a vital function as part of the health care safety net for the uninsured and underserved population. Also under scrutiny at the federal level at this time are funding for stem cell research and renewed examinations of the Medicare prescription drug plan.

- PRESIDENT REJECTS CITIZEN TASK FORCE PROPOSALS ON HEALTH CARE
- SENATE PANEL APPROVES 2008 BUDGET PLAN

- BILL WOULD EXPAND SCHIP ELIGIBILITY
- MEDPAC DISCUSSES CASE STUDY FINDINGS ON HOSPITAL BASED SNF UNITS
- BILL WOULD PROHIBIT FEDERAL FUNDS FROM BEING USED TO SUPPORT MANDATED HPV VACCINES
- REGIONAL UPDATES

PRESIDENT REJECTS CITIZEN TASK FORCE PROPOSAL ON HEALTH CARE

The Bush administration this week rejected key recommendations from a citizens' group asked by Congress to find out people's health care wishes. Suggestions included guaranteeing health coverage for specific checkups and treatments and protecting consumers from high medical expenses. The group released its report Sept. 29 after hearing from about 6,500 people at 84 meetings. President Bush agrees with many of the goals, but differs on how to achieve them, according to a letter from Health and Human Services Secretary Mike Leavitt to House Speaker Nancy Pelosi (D-CA).

The group "chose an approach based on mandates and government intervention rather than an approach emphasizing consumer choice and options," Leavitt said. Congress created the task force when it established a drug benefit for Medicare beneficiaries. The group's 15 members represented consumers, the disabled, business, organized labor and health care providers. The task force called for a guaranteed package of health benefits for everyone. It urged creation of an independent, nonpartisan group to select those benefits, such as an annual breast cancer exam or physical. The group did not answer the hard question of how the government should pay for the benefits, but said people believe that there is enough money to make the changes. The group said the government should first transfer money from other programs to pay for the benefits. Leavitt said the administration agrees it is important to make health care more affordable and expand insurance coverage. But he disagreed with the concept of a national commission to define coverage. "A nationally determined set of core health benefits would place important decision-making about a person's health care in the control of federal appointees, rather than allowing the consumer to choose the benefits that best meet their needs," Leavitt said.

Sens. Ron Wyden (D-OR), and Orrin Hatch (R-UT), came up with the idea for the group. Wyden said he believes that lawmakers are more willing to work together on health care than they have been in many years.

"We're seeing real signs that members of Congress want to fix health care," he said. However, he expressed disappointment with the administration's response to the report.

Source: The Associated Press, The New York Times, 3/15/07.

SENATE PANEL APPROVES 2008 BUDGET PLAN

The Senate Budget Committee approved a plan this week that promises a federal surplus in five years, but only by assuming President Bush's tax cuts expire at the end of this decade. Democrats pushed the bill through the committee on a party-line 12-11 vote that presages an equally partisan debate by the full Senate next week. Despite much debate over taxes, the immediate impact of the \$2.9 trillion budget blueprint for next year is to award an \$18 billion increase to domestic programs popular with lawmakers in both parties.

Democrats opted to put off politically painful decisions on shoring up the finances of Medicare and Social Security. The measure is largely a response to Democratic complaints that Bush has shortchanged programs funded each year by appropriations bills – including education, health research and grants to local governments – while awarding expensive tax cuts tilted toward affluent, GOP-leaning constituencies. But Republicans warned that the plan, authored by Senate Budget Committee Chairman Kent Conrad (D-ND), would guarantee the demise of Bush's tax cuts, which expire at the end of 2010.

The Democratic plan assumes Bush's tax cuts on income, married couples, investments and inheritances will expire as scheduled unless lawmakers produce more than \$400 billion in tax revenues to comply with the Democrats' so-called pay-as-you-go rule. "It would be the largest tax increase ever," said Sen. Charles Grassley of Iowa, top Republican on the tax writing Finance Committee. "There isn't going to be any tax increases anytime soon," Conrad said. He said his budget is aimed at paving the way for a bigger debate on myriad tax questions – including painfully expensive long-term reforms to the alternative minimum tax – after next year's presidential election. "This budget puts a burden on the Finance Committee to come up with \$916 billion," Grassley said. In the near term, the Democratic plan puts procedural hurdles in front of attempts to cut taxes or increase spending on federal benefit programs such as farm subsidies and Medicare. But it remains to be seen whether lawmakers can live up to promises to "pay for" tax cuts or new benefits with corresponding spending cuts or tax increases elsewhere in the code. Congress has routinely avoided comparable barriers to deficit-financed bills to extend short-term tax cuts and stave off cuts in Medicare payments to doctors.

Difficult tests loom later this year as Congress advances legislation to increase health insurance coverage for poor children, forestall Medicare cuts and fix the alternative minimum tax to spare almost 20 million taxpayers from unexpected tax increases. While claiming to produce a \$132 billion surplus in five years, Conrad's budget would increase the deficit from \$212 billion in the ongoing 2007 budget year to \$249 billion in 2008. Republicans say Conrad is being far too optimistic in claiming easy revenues on paper from shutting down offshore tax havens and improving IRS tax collections, while downplaying all-but-inevitable increases in tax rates. Grassley said such measures could probably cover just 5 percent of the cost of renewing the Bush tax cuts and curbing the alternative minimum tax.

For now, the Senate Democratic plan seems aimed chiefly at getting Congress' arcane budget process back on track after years of off-and-on success. Republicans failed to complete their budget work last year, resulting in a messy \$464 billion catchall spending bill that passed last month. The annual congressional budget resolution is a nonbinding document that sets guidelines for subsequent legislation. The most important feature often is to impose a "cap" on the 12 annual spending bills produced by the appropriations committees. In that regard, the Democratic plan is far more generous to non-defense appropriated programs, including education, grants to state and local governments and law enforcement agencies – than is Bush's budget plan, rewarding them with an \$18 billion increase as opposed to the less than \$4 billion boost Bush recommended. The move appears to set up a clash this September with Bush, who has yet to veto a single appropriations bill, but who seems eager to get started.

On the issue of Medicare, the Democratic plan would pare \$15 billion from payments to Medicare providers such as private insurance companies. It rejects Bush budget proposals to impose payment cuts on Medicare providers such as hospitals, nursing homes and home care providers, and larger premiums on higher-income beneficiaries. The \$15 billion in Medicare cuts assumed under Conrad's blueprint would be used to increase the number of children in low-income families receiving health insurance through the popular State Children's Health Insurance Program.

Source: Washington Post, 3/15/07.

BIPARTISAN RALLY FOR SCHIP; BILL WOULD EXPAND SCHIP ELIGIBILITY

On a rare warm late winter's day, onlookers were treated recently to a more frequent sight in these lame-duck times: Democrats and Republicans rallying together to support a domestic issue in opposition to the White House. The issue is the future of SCHIP, which provides health insurance to six million U.S. children. At spending levels proposed in President Bush's budget to continue the federal commitment to the program,

children's health advocates say that more than a million children will lose SCHIP coverage over the next four years. These advocates are proposing an "enhanced reauthorization" of the legislation, with higher funding levels to cover the nearly nine million children estimated to be uninsured. "Justice cannot abide nine million children with no health insurance," Sen. Bob Casey (D-PA) said at the rally near the Capitol. "This is my top priority, as far as domestic issues, and I believe it's the top priority of Democratic senators as well."

"Does the administration want 1.4 million children - at least - between now and 2012 to lose their insurance coverage?" Casey told a small crowd of supporters. Administration officials say that the states receive a fixed amount of federal money each year, and that individual children do not have a legal entitlement to benefits. Secretary of Health and Human Services Michael Leavitt said that states could avoid shortfalls in funding by managing their programs better. Casey was joined at the rally by Republican Sen. Orrin Hatch of Utah, who said: "The need for CHIP today is greater than ever. Now is the time for Congress to act and ensure that all of America's children are provided with the care they are entitled to receive." The senators and Reps. Frank Pallone (D-NJ) and Jim Ramstad (R.-MN) spoke outside the Russell Senate Office Building in front of a blue mobile medical unit that was en route to New Orleans to aid children suffering from the effects of Hurricane Katrina.

Meanwhile, lawmakers in both the House and Senate have proposed legislation that would provide incentives for states to expand children's healthcare and help enroll uninsured children who qualify for public coverage. The bill from Sen. Hillary Rodham Clinton (D-NY) and Rep. John Dingell (D-MI) would expand the State Children's Health Insurance Program to include families earning up to 400% of the federal poverty level and offer a new option for both families and employers to buy coverage through SCHIP. Dingell said he wanted to move the bill as a stand-alone, but that the sponsors were also interested in incorporating the legislation's provisions into any SCHIP reauthorization bill this year. No cost estimate was provided. Dingell said the Congressional Budget Office will be looking at the potential cost of this legislation. "I'm confident that we'll be able to come up with significant savings elsewhere" to pay for the proposed coverage expansions in this bill, he said. The Federation of American Hospitals supported the bill, but said that Congress shouldn't tap into hospital payments to help finance the legislation. Hospitals are already experiencing falling margins under Medicare as well as increasing Medicaid-payment shortfalls, FAH President Chip Kahn wrote in a letter to Dingell. The Senate Budget Committee in the meantime is preparing to mark up a bill that would provide \$50 billion to SCHIP over five years.

Source: Associated Press, Modern Healthcare, 3/14/07.

MEDPAC DISCUSSES CASE STUDY FINDINGS ON HOSPITAL-BASED SNF UNITS

On March 8, the Medicare Payment Advisory Commission (MedPAC) discussed the case study findings on hospital based SNFs (skilled nursing facilities), comparisons with free-standing SNFs, and different models of hospital based SNFs. MedPAC explained that the case study found that hospital closed SNFs due to financial losses, more profitable use of space, or difficulty with nursing. Hospitals have retained the units because of savings on acute care from shorter stays, quicker access to post-acute care, or continuity of care for physicians. Hospital-based facilities comprise a small market share of facilities and cases. MedPAC noted that hospital-based units differ from free-standing ones in several ways, including the number of beds, Medicare patient share, average length of stay, and staffing per bed. Patients in freestanding SNFs are slightly older than those in hospital based facilities. Also, a greater percentage of patients in freestanding SNFs have severity of illness (SOI) of three or four, while the SOI is slightly lower in hospital based units. Patient characteristics also differ in terms of share of inpatient days in ICU. MedPAC says that when compared to discharges to freestanding SNFs, hospital based SNF inpatient stays are generally shorter, and inpatient margin is similar. Among other differences noted is that ancillary costs per day are higher in hospital based units.

Source: Patton Boggs, 3/9/07.

BILL INTRODUCED TO PROHIBIT FEDERAL FUNDS FROM BEING USED FOR HPV VACCINE

Rep. Phil Gingrey (R-GA) on Thursday March 15 introduced a bill (HR 1153) that would prohibit federal funds from being used by states to make human papillomavirus vaccination mandatory. The bill would not prohibit states from enacting mandatory vaccinations, but it would inhibit states' ability to use federal Medicaid or education funds to ensure children from low-income families receive the vaccine. Merck's HPV vaccine Gardasil and GlaxoSmithKline's HPV vaccine Cervarix in clinical trials have been shown to be 100% effective in preventing infection with HPV strains 16 and 18, which together cause about 70% of cervical cancer cases. FDA in July 2006 approved Gardasil for sale and marketing to girls and women ages nine to 26, and CDC's Advisory Committee on Immunization Practices later that month voted unanimously to recommend that girls ages 11 and 12 receive the vaccine. GSK in April plans to file for FDA approval of Cervarix, and it expects approval by the end of this year. CDC has added Gardasil to its Vaccines for Children Program, which provides no-cost immunizations to children ages nine to 18 covered by Medicaid, Alaska Native and American Indian children, and some uninsured and underinsured children. According to Gingrey spokesperson Becky Ruby, Gingrey will attempt to attach the bill as an amendment to the 2008 spending bill for HHS. According to the *Times*, although there is little chance that Congress will approve Gingrey's measure as a "stand-alone" bill, appropriations bills often include multiple proposals that are difficult for lawmakers to notice or block. "I can't think of a single Democrat who will push to move the bill," an unnamed House staffer said, adding, "But putting it in an appropriations bill will make for an interesting floor vote." Lawrence Gostin, director of the Center for Law and the Public's Health at Johns Hopkins and Georgetown universities, said, "If this bill was enacted, it would signal the end of state vaccine mandates (for HPV)." He added, "No state could forgo the considerable federal funds." *Source: The Washington Times, 3/15/07.*

HOUSE SUBCOMMITTEE HEARS LEGISLATION TO INCREASE FUNDS FOR RURAL TRAUMA CENTERS

The House Energy and Commerce Subcommittee on Health this week by voice vote unanimously approved a bill that would authorize an additional \$46 million between fiscal years 2008 and 2012 in spending for rural medical centers that treat patients during times of national crisis. The spending would be used give the centers the capacity to treat large influxes of patients, improve patient data systems, and increase research and development by public and private groups. In addition, the grant money would be used by states and not-for-profit organizations to create model curriculum for training programs for emergency first responders, medical technicians, nurses, doctors and paramedics. Rep. Joe Barton (R-TX), ranking member of the Energy and Commerce Committee, said that the additional spending "will provide much needed coordination for trauma care in our nation's rural areas." Subcommittee Chair Frank Pallone (D-N.J.) said that \$30 million has been spent on trauma center improvements since 1990. *Source: Congress Daily, 3/14/07.*

AMA AND AARP JOIN FORCES TO MAXIMIZE PHYSICIAN-PATIENT RELATIONSHIP

To help patients and physicians maximize their time together, the American Medical Association (AMA) and AARP have joined forces to release a shared responsibilities and health and safety resource guide. "The patient-physician relationship: a partnership for better health care and safer outcomes" will be available on both the AMA and AARP Web sites, free to the public. "To provide the best possible care and help patients stay healthy, we must develop a two-way dialogue in the doctor's office," said AMA Board Member Peter Carmel, MD. "The average primary care office visit lasts a little under 16 minutes, and covers six different topics, so it's important that patients and physicians know how to optimize their time together so patients can get the most benefit from their health care." "In the past, many people simply relied on their doctors to tell them what to do. Times have changed. Nowadays patients want to, and deserve to be an active partner in their health care decisions," said AARP Board Member William Hall, MD. "AARP's 38 million members look to us as a trusted source of health care information. We are pleased to collaborate with the AMA to help patients and doctors make the most out of their time together." The pamphlet outlines three core areas where patients and physicians can work together: communication, shared decision-making and the patient-physician partnership; and is being released during National Patient Safety Awareness Week (NPSAW). The theme of this year's NPSAW is "Patient Safety: A Road Taken Together." The week was started by the National Patient Safety Foundation, an independent patient safety organization founded by the AMA in 1996. "Patients may be shy about sharing personal information, and doctors may assume a patient understands what's going on if they don't ask questions," said Dr. Carmel. "By putting the shared responsibilities in one easily accessible document, we hope it encourages patients to play a more active role in their health care."

Source: American Medical Association, 3/6/07.

Of Regional Interest

LOUISIANA

Congress Hears About Political Infighting in Louisiana Over Healthcare. Eighteen months after Hurricane Katrina, the healthcare system in New Orleans remains in such disarray that patients with heart disease and cancer are getting inadequate care, local medical authorities told Congress on Tuesday. By one estimate, they said, the number of deaths may have increased by more than 40% from pre-Katrina figures. The federal government has pumped in millions of dollars in aid, but hospitals and clinics that care for the poor — already strained before the storm — have not recovered. Behind the failure to improve healthcare in New Orleans is a squabble between state and federal officials with competing visions. As a result, people with severe mental illness often go without medication. Heart patients cannot get prescribed follow-up care, and some cancer patients must travel hours for chemotherapy. People line up before dawn in hopes of getting care at clinics staffed by volunteers. "The current status of [the] healthcare infrastructure in New Orleans is tenuous and critically ill," Dr. Cathi Fontenot, medical director of the Medical Center of Louisiana at New Orleans, told a recent House Energy and Commerce subcommittee. The director of the city's health department said his analysis of death notices before and after Katrina suggested that the number of deaths was up by more than 40% last year when compared with levels before the storm. Available data "strongly suggest that our citizens are becoming sick and dying at a more accelerated rate than prior to Hurricane Katrina," Dr. Kevin Stephens said. New Orleans has some bright spots in healthcare, including a new network of community health centers. But a severe shortage of doctors and nurses is adding to problems, and the number of hospital beds in the metropolitan area is about half what it was before the hurricane. The Bush administration wants the state to use much of the federal funding that has always helped

support public hospitals to subsidize private health insurance for people who lack coverage. Such a strategy would build on proposals President Bush outlined in his State of the Union address this year. "It is time to level the playing field," Medicare and Medicaid Administrator Leslie V. Norwalk told the committee. The poor and uninsured should have the same kind of coverage as people with private insurance, she said. But Louisiana officials said there was not enough money going to public hospitals to subsidize insurance for all those in need — only for about half of them. "It's not a simple move," Louisiana Secretary of Health and Hospitals Dr. Fred Cerise told the panel. "Those funds are buying services today." Cerise estimated it would take an additional \$1 billion each year to make sure the vast majority of the population was insured. Committee members of both parties urged state and federal officials to back away from the philosophical standoff and look for practical ways to work together. State and federal officials have pledged to keep talking, but it was unclear how the impasse would be resolved. In the meantime, doctors warned, patients would keep falling through the cracks.

Source: *Associated Press*, 3/14/07

TEXAS

Texas Has Largest Uninsured Population. About 47 percent of parents in families earning less than \$40,000 a year are offered health insurance through their employers — a 9 percent drop during the past decade. The figure underscores concern that low-income parents are experiencing dramatic erosion in employee benefits, said the Robert Wood Johnson Foundation, which funded the research. The foundation says the research also shows the importance of the State Children's Health Insurance Program, which has been in effect for a decade. One of the biggest debates in Congress this year will be over how much funding to set aside for the program, which now covers about 6 million children. The research also indicated that about 9 million children are still uninsured, even though about two-thirds of them potentially could participate in existing government programs if only their parents would enroll them. The states with the highest percentage of uninsured children were Texas, 20.3 percent; Florida, 16.9 percent; and New Mexico, 16.6 percent.

Source: *Associated Press*, 3/15/07.

UTAH

General Legislative Session Ends. Between the opening and closing gavels of the Legislature's general session, lawmakers put in 45 strenuous days trying to shape Utah's future in hundreds of ways. With a record \$1.7 billion budget surplus softening all the normally knotty funding choices, lawmakers were able to do a great deal more good than paying more to educate our children and build highways. For example, legislators devoted to the disadvantaged restored Medicaid dental and vision benefits (though just for a year), provided health insurance for 12,000 more children, and trimmed (though by no means eliminated) the waiting list for disability services. Legislators also wisely brought back eminent domain as a tool to eradicate urban blight. Overall the general session closed with ability to claim a good deal of success for the underserved.

Source: *Salt Lake City Tribune*, 3/5/07.

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