Policy & Practice

Bill Halts 4.4% Cut

Congress' long-awaited passage of the budget reconciliation package (also called the Deficit Reduction Act) put a freeze on a 4.4% cut Medicare physicians experienced in the month of January. While the congressional action stopped any further reductions to payments, it did not increase Medicare physician pay for 2006. The Centers for Medicare and Medicaid Services will reimburse physicians retroactively for the reductions experienced in January, and has instructed its contractors to automatically reprocess claims. But work on this issue is far from over, Dr. J. Edward Hill, president of the American Medical Association, said in a statement. "With 6 years of cuts still scheduled to come as practice costs continue to rise, we fear more physicians will make difficult practice decisions about treating Medicare patients. … We must build on the momentum and awareness raised in 2005 to make 2006 the year Congress permanently repeals the broken Medicare physician payment formula."

Junk Food Lawsuit

Consumer groups and parents are suing Nickelodeon (Viacom International Inc.) and the Kellogg Co. in an attempt to stop them from marketing junk food to children. The announcement follows an Institute of Medicine report that found food advertising aimed at children encourages them to request high-calorie, low-nutrient foods. "Nickelodeon and Kellogg engage in business practices that literally sicken our children," said Michael Jacobson, executive director of the Center for Science in the Public Interest, one of the plaintiffs. "It's a multimedia brainwashing and reeducation campaign and a disease-promoting one at that." Other plaintiffs in the suit include the Campaign for a Commercial-Free Childhood and parents Sherri Carlson of Wakefield, Mass., and Andrew Leong of Brookline, Mass. Because of the pending litigation, Kellogg is not commenting, said Jill Saletta, Kellogg's director of communications.

2007 Medicare Formulary Guidance

In February, the U.S. Pharmacopeia released its final model guidelines for use in developing Medicare prescription drug formularies in 2007. The model guidelines are used by the Centers for Medicare and Medicaid Services to evaluate the formularies created by private drug plans that participate in the Medicare Part D program. There are fewer unique categories and classes in the 2007 document—133, compared with 146 in 2006. In addition, the number of formulary key drug types, which are used by CMS to test the comprehensiveness of the formulary, has increased from 118 to 141. The U.S. Pharmacopeia model guidelines are available online at www.usp.org/healthcareInfo.

ADA Announces Policy Agenda

Increasing the budget for diabetes research and making stem cell research easier to perform are two of the major public policy priorities for the American Diabetes Association this year. "Policymakers will hear from our army of volunteers and grassroots advocates about the urgent need for Congress and the [Bush] Administration to set a new course for diabetes policy," Dr. Robert A. Rizza, president for medicine and science at the ADA, said in a statement. Specific priorities include increasing the budget for the Centers for Disease Control and Prevention's division of diabetes translation by $20.8 million, increasing the budget for research at the National Institute of Diabetes and Digestive and Kidney Diseases by $92 million, and getting Congress to pass the Stem Cell Research Enhancement Act of 2005 (S. 471/H.R. 810), which would greatly increase the number of stem cells available for use in research.

Hospital Ethnicity Data

Most hospitals collect data about the race, ethnicity, and language preference of their patients, but few are using the data to improve health care quality, according to a study conducted by the National Public Health and Hospital Institute. Researchers surveyed 500 acute care hospitals and found that half collect information on patients' language, more than three-fourths collect information on patients' race, and half collect information on ethnicity and language preference. Of the hospitals that did not collect this information, more than half said they did not see the need to. "We are encouraged to know that so many hospitals already have quality data that enable them to develop and monitor interventions to eliminate racial and ethnic disparities in health care," said Marsha Regenstein, Ph.D., the study's lead author and director of NPHHI. "Our challenge now is to work with hospital staff to make sure they recognize the importance of this quality data and that they put the data to use immediately." The study was supported by the Robert Wood Johnson Foundation.

—Joyce Frieden