

FY 2010 Budget Reserves \$635 Billion for Reforms

BY MARY ELLEN SCHNEIDER

The Obama administration plans to finance a portion of its health care reform plan through changes to the Medicare and Medicaid programs, including the bundling of payments for inpatient and postacute care.

The new details were provided as part of the administration's fiscal year 2010 budget request sent to Congress. Presi-

dent Obama had released the highlights of his budget plans back in February but had not provided specifics on his legislative and regulatory proposals.

The centerpiece of the detailed budget proposal is health care reform. The budget would establish a "reserve fund" of about \$635 billion over 10 years to finance at least part of the comprehensive health reform efforts, which would come from new revenue resulting from tax

changes, as well as from savings within the Medicare and Medicaid programs.

"This budget sends a clear message that we can't afford to wait any longer if we want to get health care costs under control and improve our fiscal outlook," said Kathleen Sebelius, secretary of Health and Human Services. The Obama administration proposes to trim \$287.5 billion from Medicare over 10 years, with \$520 million in savings com-

ing in FY 2010. The budget proposal also counts \$22 billion in savings over 10 years from the Medicaid program, with \$1.5 billion in savings being realized in FY 2010.

Among the legislative proposals that would contribute to those savings is a plan to tie a portion of hospital Medicare payments to performance on quality measures starting in 2011. The administration also is proposing to cut payments to hospitals with high readmission rates starting in 2012. The budget proposal seeks to allow physicians to form voluntary groups to coordinate care for Medicare beneficiaries. Those groups

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PROGRAM HIGHLIGHTS*

Predicting the Course of RA	Juvenile Idiopathic Arthritis
Co-Morbid Conditions and RA	Psoriasis Update
Vaccine Use in Vulnerable Patients	Psoriatic Arthritis
Gout and Hyperuricemia	Cutaneous Lupus: Better Outcomes
Systemic Scleroderma	Cardiovascular Risk Factors in RA
Rheumatic Diseases and IBD	Fibromyalgia
Steroid-Induced Osteoporosis	Update on Osteoarthritis
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*Program subject to change. Go to conference website for updates.

TARGET AUDIENCE

This continuing medical education conference is designed for rheumatologists, internists, family practice physicians and healthcare professionals involved in the treatment of patients with rheumatic diseases.

LEARNING OBJECTIVES

At the conclusion of this conference, participants will be able to:

- Identify the therapeutic options in the management of rheumatic diseases
- Explain the connection between rheumatic diseases and CV risk
- Recognize the aspects of care, treatment, and overall outcomes that are important to pediatric patients
- Describe the long-term safety and efficacy of systemic and biologic agents in the treatment of psoriasis and psoriatic arthritis
- Evaluate patients to determine their risk for disease progression that may indicate an increased risk for radiographic progression of rheumatoid arthritis
- Recognize and describe the clinical manifestations and complications of scleroderma
- Develop a strategy for a diagnostic workup to promptly and accurately establish (or rule out) fibromyalgia as a cause of a patient's symptoms
- Discuss the challenges in managing the RA patient with IBD
- List the clinical manifestations and risk factors associated with gout
- Apply the most current and effective treatment practices regarding the pathophysiology of rheumatic disorders to patient care plans

ACCREDITATION STATEMENT

This activity has been planned and implemented in accordance with the Essential Areas and Policies of the Accreditation Council for Continuing Medical Education (ACCME) through the joint sponsorship of the Elsevier Office of Continuing Medical Education (EOCME) and Skin Disease Education Foundation (SDEF). The EOCME is accredited by the ACCME to provide continuing medical education (CME) for physicians.

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Application for CME credit has been filed with the American Academy of Family Physicians. **Determination of credit is pending.**

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We can't afford to wait any longer if we want to control health care costs and improve the fiscal outlook.

MS. SEBELIUS

would be eligible to receive bonus payments from Medicare if they improved the quality of care and produced savings.

The administration hopes to begin bundling Medicare payments for inpatient hospital services and postacute care within 30 days of discharge, beginning in 2013. Savings would also be generated, according to the administration, by a new competitive bidding system for Medicare Advantage plans. Under such a system, payments to Medicare Advantage plans would be based on the average of plan bids submitted to Medicare. This type of market-based system would reduce costs, they say.

The FY 2010 budget lacks a fix for the Medicare physician payment system, which is set to make significant cuts to physician payments in January 2010. However, the budget document includes support for changing the payment formula, including assessing whether physician-administered drugs should be covered under the payment formula.

The administration is planning to invest \$1 billion into health care workforce initiatives including expanding loan repayment and scholarship programs for physicians, nurses, and dentists who work in underserved areas.

The administration asserted its commitment to lowering drug costs with a policy proposal in the Food and Drug Administration budget to create a regulatory pathway for the approval of generic biologics. Under this pathway, innovative products would be given a period of exclusivity. However, brand name manufacturers would be barred from reformulating existing products into new products in order to restart the exclusivity process. The FDA budget includes \$5 million to explore ways for Americans to safely import drugs from other countries. ■

For more information go to
www.rheumatologynewsperspectives.com or call 973.290.8200

The FY 2010 budget documents are available online at www.hhs.gov/asrt/ob/docbudget/index.html.