SCHIP Bills Ready for House/Senate Conference

BY MARY ELLEN SCHNEIDER
New York Bureau

With Congress returning from its August recess, the fate of the State Children's Health Insurance Program reauthorization is up in the air, and so is the fate of physician pay relief.

As a planned Oct. 6 adjournment looms, a House/Senate conference committee must reconcile the vastly different health bills passed by the two chambers and craft the legislation into something that might escape a threatened presidential veto.

Before breaking for the summer recess, the Senate overwhelmingly passed S. 1893, which includes a $35 billion increase for SCHIP. The funds would come from an increase in the federal tobacco tax.

The approved House legislation (H.R. 3162), meanwhile, contains a number of provisions unrelated to SCHIP. For example, the bill would halt next year's planned 10% cut in the Medicare physician fee schedule, instead putting in place a 0.5% increase for 2008 and another for 2009.

In terms of SCHIP funding, the House bill calls for a $50 billion increase in funding and would pay for it with both increases in the federal tobacco tax and cuts to subsidies given to Medicare Advantage plans.

The American Academy of Pediatrics praised the passage of the two pieces of legislation and called on Congress to create a compromise bill that includes at least $50 billion in new federal funding for SCHIP.

"While the $35 billion included in the Senate bill is a good start, it's not enough to cover the eligible but unenrolled children in SCHIP or Medicaid," AAP President Jay E. Berkelhamer said in a statement. "The American public, including pediatricians, wants every child and adolescent covered. Passing and signing into law a strong SCHIP bill gets us that much closer to our goal."

AAP officials also praised provisions of the two bills that ease citizenship and identification documentation requirements and establish a pediatric quality measurement program.

Other medical professional societies called on Congress to craft a final piece of legislation that would include increased funding for SCHIP and the House provisions that halt Medicare cuts to physicians for the next 2 years.

"Emergency departments are a health care safety net not only for the uninsured but for us all," Dr. Brian Keaton, president of the American College of Emergency Physicians, said in a statement. "But with millions of people uninsured, that safety net is breaking under the load. This legislation will help shore up the safety net by providing more resources for those children, as well as for older Americans."

Officials at the American Academy of Family Physicians favor a final bill that includes SCHIP funding that would cover as many children as possible, 2 years of positive updates to the Medicare physician fee schedule, and a commitment to fixing the sustainable growth rate formula, said Dr. Rick Kellerman, AAFP president.

Two years of positive updates are important, Dr. Kellerman said. Legislators are tired of physicians coming every year to Capitol Hill to talk about this issue.

"We think we've got a lot of other important health care issues to deal with," Dr. Kellerman said, adding that a 2-year fix will give Congress time to evaluate the sustainable growth rate (SGR) issue and formulate an alternative. "It's a transitional bill," he said. "This gets us through the next 2 years."

The American College of Physicians praised both the House and the Senate bills but said they would like to see final legislation that includes some of the Medicare provisions passed by the House, including the temporary pay fix for physicians.

The House bill also outlines a new physician payment structure under Medicare that would set a separate conversion factor for six service categories:

- ► Evaluation and management for primary care.
- ► Evaluation and management for other services.
- ► Imaging.
- ► Major procedures.
- ► Anesthesia services.
- ► Minor procedures.

The proposed formula would also take prescription drugs out of the spending targets and would take into account Medicare coverage decisions when setting targets, according to Rich Trachtman, American College of Physicians legislative affairs director. But the formula would still lead to deep payment cuts starting in 2010, so there is an understanding among legislators and leaders in medicine that the updates for 2010 and beyond would require additional action, Mr. Trachtman said.

Dr. Edward Langston, Board Chair of the American Medical Association, said the House legislation is encouraging and shows a willingness to come up with alternatives to the SGR. However, what the final formula will look like is still up in the air, he said.

But the American College of Cardiology expressed problems with the new structure for Medicare payments outlined in the House bill. The proposed payment structure would be based on a system of separate expenditure targets that ACC asserts would not take into account the appropriate growth in services, including many common cardiovascular services.

"While the ACC appreciates congressional efforts to stop Medicare physician payment cuts, it is critical that any new payment structure is fair to all physicians," the ACC said in a statement. "The ACC urges Congress to resolve this issue before any final legislation is passed."

The House bill also drew the ire of the insurance industry. America's Health Insurance Plans (AHIP) hailed the passage of the Senate legislation but is opposed to provisions in the House bill that would make cuts to the Medicare Advantage program. These cuts could result in more than 3 million seniors losing Medicare Advantage coverage and having to switch to fee-for-service Medicare, where they would likely pay higher out-of-pocket costs, according to the AHIP. ■

Health Coalition Releases Disaster Preparedness Guidelines

BY MARY ELLEN SCHNEIDER
New York Bureau

Public health systems need more federal funding to respond to both day-to-day emergencies and mass-casualty events, according to disaster preparedness recommendations released by a coalition of 18 health organizations.

The coalition, which was led by the American Medical Association and the American Public Health Association, issued a report with 53 recommendations aimed at leaders in medicine and the government.

Other coalition members include the American Academy of Pediatrics, the American College of Emergency Physicians, and the American College of Surgeons. The project was funded under a cooperative agreement from the Centers for Disease Control and Prevention.

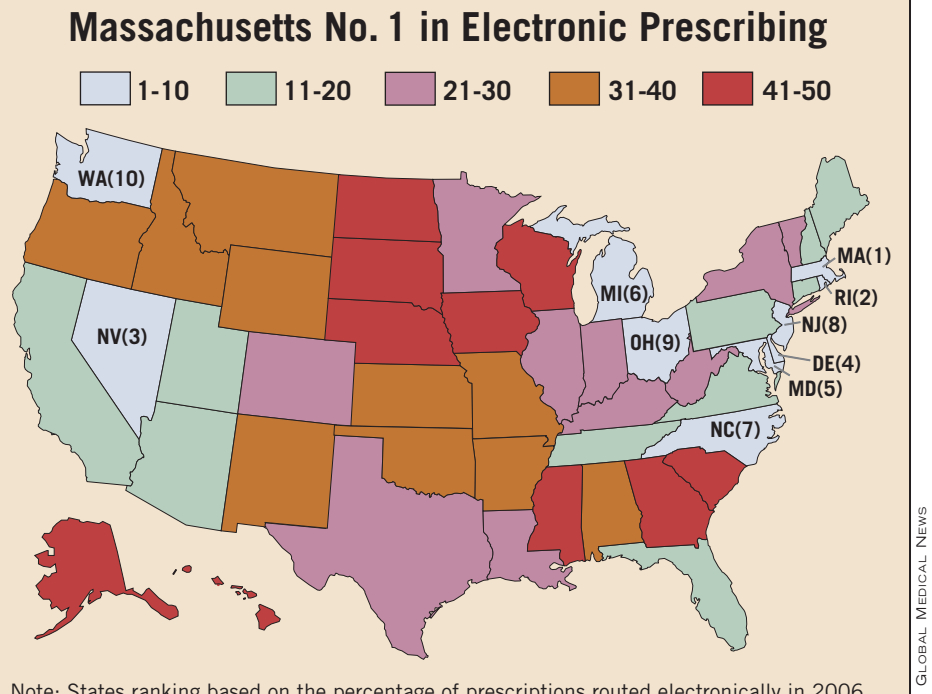
"The only thing we can probably predict with any certainty about terrorism attacks and other mass casualty events is this—we're not going to know the time, location, and magnitude in advance," Dr. Ronald M. Davis, AMA president, said at a press conference to release the report. "But we have no excuse if our responses aren't known in advance."

The report identifies nine critical areas needing immediate action, including:

- ► Increased federal funding should be allocated to expand emergency medical care, trauma care, and disaster health preparedness systems across the United States.
- ► Governmental entities and health systems must develop and evaluate processes to ensure a return to readiness for routine health care and future mass casualty events following a disaster.
- ► Funding for economic recovery after a disaster must emphasize the reestablishment of public health and health care systems.
- ► The Institute of Medicine should perform a comprehensive study of health system surge capacity.
- ► Emergency and disaster preparedness must be integrated with public health and health care systems nationwide to provide effective emergency and trauma care.
- ► Public health and health care officials must participate directly in disaster preparedness planning, mitigation, response, and recovery operations.
- ► Health disaster communications and health information exchange networks must be fully integrated and interoperable at every level of government and health systems.
- ► The government, health systems, and professional organizations should develop and distribute information on the management of adult and pediatric patients in day-to-day emergencies and catastrophic events.
- ► Public health and health care responders must be given adequate legal protections for providing care during a disaster situation. ■

The full report is available at www.ama-assn.org/go/disasterpreparedness.

DATA WATCH



Note: States ranking based on the percentage of prescriptions routed electronically in 2006.
Source: SureScripts