

Medicare Ranks High on Congressional Agenda

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Changes in leadership brought about by the November mid-term elections are likely to change the way Congress approaches health policy issues, according to several experts.

One change many physicians are hoping the new Democratic leadership will make is to fix the Medicare physician payment formula. Under the current payment formula, physicians are facing a 5% payment cut in January. "For the immediate future, we are asking that they cancel the cut and give physicians a positive [payment increase] to reflect inflation, which is slightly over 2%," Dr. Cecil Wilson, chair of the American Medical Association board of trustees, said in an interview at press time.

Such an immediate fix would not address the underlying problem: The physician fee schedule relies on the flawed Sustainable Growth Rate (SGR).

"Congress needs to do a permanent fix to this problem," said Dr. Wilson, an internist in Winter Park, Fla. "We will be working very hard on that for this coming year, to ask that they get rid of this formula and move to one that reflects the increased cost of providing care."

Ron Pollack, executive director of Families USA, a liberal consumer group based in Washington, voiced optimism that the new Congress would look at the payment formula. "The Democrats probably do want to deal with that—whether it will be on a year-by-year basis or on a more permanent basis, I don't know," he said in an interview. "But I do think the Democrats are inclined to get that fixed."

Malpractice reform could be another story, Mr. Pollack said.

"The one and perhaps only way that issue is going to move forward will be if there is significant compromise," Mr. Pollack said. The strategy of placing caps on damage awards "probably makes it difficult to move this forward. On the other hand, to the extent that alternative conflict resolution systems are established that substantially reduce litigation and provide more people with access to grievance mechanisms short of legal proceedings, that certainly has a chance of movement."

Michael Cannon, director of health policy studies at the Cato Institute, a libertarian think tank in Washington, was even more negative. Malpractice reform "is not going anywhere and that's a welcome development, because the Constitution does not give Congress any authority to play any role in that area," he said. "The Republicans never recognized that, but the Democrats, in this instance, are in favor of letting the states deal with that issue, and they are not interested in any federal malpractice reforms."

Covering the uninsured is another area that could move to the front burner under the Democrats, Dr. Wilson said. "We now know that [the uninsured] are more likely to get sicker and die sooner" than those with insurance, he said. "We'll be trying to increase the visibility of that problem."

One definite health care priority for Rep. Nancy Pelosi (D-Calif.), who will become Speaker of the House in January, will be to get rid of a prohibition in the Medicare prescription drug coverage law that bans the Centers for Medicare and Medicaid Services from negotiating prices directly with pharmaceutical companies.

"We can and we must make the Medicare prescription drug plan fairer and more cost effective," Rep. Pelosi said in a statement.

Removal of that prohibition would be a welcome change, according to Mr. Pollack, of Families USA. By bargaining directly with drug companies, the Department of Veterans Affairs "has achieved much lower prices than the lowest prices charged by all Medicare Part D plans," he said in a statement, noting that the median price difference was 46%.

Cato's Mr. Cannon had a different view. "Democrats are attracted to price controls because it allows them to provide a benefit for current generations through lower cost drugs, while imposing a cost on future generations, which is fewer new drugs being developed" due to declining revenues for pharmaceutical companies, he said.

The Democrats also will consider closing up the Part D doughnut hole—the gap in coverage beneficiaries have when their drug bills exceed a certain amount. Rep. Pelosi has said she plans to do this using the savings achieved through letting Medicare negotiate drug costs directly.

Analysts anticipate a new direction in health policy in the new Congress because the presumed new committee chairs concerned with health care are considered quite liberal. This group includes Rep. Charles Rangel (D-N.Y.), expected to head the Ways and Means Committee; Rep. John Dingell (D-Mich.), expected to head the Energy and Commerce Committee; Rep. George Miller (D-Calif.), expected to head the Education and Workforce Committee; and Rep. Fortney H. "Pete" Stark (D-Calif.), expected to head the Ways and Means health subcommittee.

"It's going to be very interesting to see how these folks approach health care," said Mr. Cannon, noting that Rep. Dingell has introduced legislation for a single-payer health care system every year since 1955. "We will see if they just try to go for moderate Democrat ideas ... or if they really follow their hearts and try to kill health savings accounts, or launch some sort of Clinton-like initiative that aims to provide coverage for everyone." ■

POLICY & PRACTICE

Telehealth Licensure Studied

Officials at the Federation of State Medical Boards are tackling the issue of licensure for physicians engaged in telehealth and those involved in the multistate practice of medicine. FSMB recently received a grant from the federal government to test different ways to reduce licensure barriers and better share information across jurisdictions. "With telehealth playing an increasingly important role in meeting the needs of underserved patient populations, the ability of physicians to be able to quickly obtain licensure in multiple jurisdictions has never been more important," Dr. James N. Thompson, FSMB president and CEO, said in a statement. "This grant will allow us to find ways to streamline the licensure process while maintaining appropriate standards for public protection." A centralized database also could streamline the verification of physician credentials in times of disaster, according to the FSMB.

CDC Finances Investigated

Members of Congress are looking into alleged financial problems at the Centers for Disease Control and Prevention. In a letter, members of the House Energy and Commerce Committee requested that CDC officials provide an analysis done by Deloitte Consulting L.L.C. detailing "inefficiency and ineffective leadership" in the agency's finance office. Committee Chairman Joe Barton (R-Texas) and chairman of the committee's subcommittee on oversight and investigations, Rep. Ed Whitfield (R-Ky.), also requested information on how CDC manages human tissue samples and laboratory equipment. The congressmen also asked to be briefed on the status of CDC's reorganization, ongoing since June 2003. "Some CDC employees have raised concerns that these changes will make CDC more cumbersome and bureaucratic, taking time and resources away from scientific programs directly benefiting the public," Rep. Barton and Rep. Whitfield wrote in the letter.

Health IT Standardization

The Certification Commission for Healthcare Information Technology (CCHIT), founded in 2004 by three health IT industry organizations, has been designated officially as a Recognized Certification Body by the Health and Human Services Department. CCHIT has already given its seal of approval to 33 ambulatory electronic health record products. The organization will continue to work on certification criteria for inpatient and hospital systems and the architecture that allows information exchange between health care providers and institutions. "Broad adoption of health information technology that is interoperable is absolutely crucial to providing patients with better care, at lower cost, and with less hassle," HHS Secretary Mike Leavitt said in a statement. "I applaud

the CCHIT for meeting the requirements to become a Recognized Certification Body and for their efforts to help bring the benefits of health IT within reach of consumers."

Smoking Rates Level Off

An 8-year decline in adult smoking rates may be flattening, according to the CDC. The agency analyzed self-reported data from the 2005 National Health Interview Survey and found that the nation is falling behind in efforts to reduce cigar and cigarette smoking, use of smokeless tobacco, and adult quit attempts. In 2005, 21% of adults, or 45 million Americans, were smokers; of those, 43% had tried to quit. About 2% were cigar or smokeless tobacco users. All the rates were unchanged from 2004, the authors said in the Oct. 27 Morbidity and Mortality Weekly Report. They cited several factors contributing to the stall, including smaller increases in cigarette prices and a 27% reduction in funding for state tobacco control and prevention programs for 2002-2006. Smoking rates are highest among people with less education—43% of those with a General Educational Development diploma; the rate is 30% among those living at or below the poverty level. Meanwhile, a Zogby International poll of 1,200 registered voters commissioned by the Drug Policy Alliance found that 45% were in favor of banning cigarettes within 5-10 years. The strongest support came from 18- to 29-year-olds; 57% favored criminalization, reported the DPA, which advocates medical treatment for drug use and is about to launch a public service campaign on the potential unintended consequences of a cigarette ban.

Medicare Handbook Bias

A group of senior House and Senate Democrats have charged that the 2007 Medicare Handbook casts HMO plans in a more favorable light than fee-for-service plans. The Bush Administration favors Medicare Advantage, the HMO program, which had enrolled about 7.5 million out of 42 million beneficiaries as of mid-year. But it's no secret that Democrats have been unhappy with the program. At the National Medicare Congress in Washington in mid-October, Rep. Pete Stark (D-Calif.) said the program is "overpaid" relative to fee-for-service and that "Medicare loses money on everyone who signs up." Rep. Stark joined Rep. Charles Rangel (D-N.Y.), Rep. John Dingell (D-Mich.), and Rep. Sherrod Brown (D-Ohio), and Sen. Max Baucus (D-Mont.) and Sen. Jay Rockefeller (D-W.Va.) in writing HHS Secretary Mike Leavitt charging that the 2007 handbook "presents a misleading and biased view of Medicare coverage and options." Though no changes can be made to the 2007 book, the legislators urged CMS to ensure that other beneficiary materials take their concerns into account.

—Mary Ellen Schneider