



August 2006



2007 Medicare Payment Cut

The new Medicare physician payment rule released by CMS on August 8 projects a 5.1% cut to Medicare reimbursement for physician services in

2007. The cut was triggered by higher-than-expected growth in spending on physician and other Part B services. The proposed cut is determined by the extent that actual spending exceeds the CMS target, which is tied to inflation in physicians' cost of doing business. CMS attributes the higher spending to increased volume and intensity of services, imaging techniques, laboratory services, and physician-administered drugs.

Congress will need to take action in order to halt the impending cut. On July 18, eighty of the U.S. Senate's 100 members signed a letter to Senate Leadership urging them to address the Medicare physician payment cut before Congress adjourns in October and to provide physicians with a positive Medicare payment update in 2007. The letter stated that "These projected cuts will destabilize the Medicare program and put at risk all patients' access to health care." Go to ACP's Legislative Action Center <http://www.acponline.org/lac> [use your email address for the username and ACP as the password] and view the Current Issue titled 'July 17 Medicare Payment Cut Letter-Senate' for senators who signed the letter. If your Senators are on the list, use the LAC to send them (sample message is provided which you can personalize). In the House of Representatives, 146 members have signed on to a similar letter to House Leadership. Go to the LAC and view the Current Issue titled 'Halt Medicare Payment Cuts-House' for a list of representatives who have signed onto the letter. Use the LAC to either urge your legislator to sign on to the letter OR to thank him/her for signing on.

ACP and other physician organizations continue to lobby lawmakers to avert the 5.1% cut and enact a 2.8% update as recommended by MedPAC. We need your help! Talk with your members of Congress when you see them home in the district (the August recess is a great opportunity). Or use the LAC to send an email or fax; samples are provided for personalization. Contact Tracy Novak at tnovak@acponline.org with problems.

In conjunction with the AMA, College leaders and the Pennsylvania Medical Society (PMS) held a press conference on Aug 8 in Philadelphia to draw attention to an imminent access of care problem for Pennsylvania's nearly two million Medicare patients. Rural PA will be especially hard hit, as more than a third of physicians whose practices serve a rural patient population said they would have to discontinue rural outreach services.

How do the proposed Medicare cuts affect you and your practice? ACP needs short, personal stories from physicians about the impact of the cuts to compile and format into testimonials for each state to increase the pressure on Congress to halt the Medicare payment cuts. During the week of Sept 11, ACP leaders will deliver your stories to members of Congress during special "In Their Own Words" meetings on Capitol Hill. Go to http://www.acponline.org/college/misc/own_words.htm to read more and share your story before Sept 7 deadline.

ACP Testifies before House Energy and Commerce Subcommittee on Health

On July 27, ACP President Lynne Kirk, MD, FACP, testified before the House Energy and Commerce Committee's Subcommittee on Health about reforming the Medicare payment system. She discussed how Medicare's dysfunctional payment policies are contributing to an imminent collapse of primary care medicine in the U.S. and urged Congress to direct Medicare to institute a new model of financing and delivering care. She suggested Congress set a specified timeframe for eliminating the sustainable growth rate (SGR) formula and recommended that Medicare pilot test a patient-centered medical home model of care, thereby giving patients an incentive to connect with a personal physician who is part of a coordinated care team. Dr. Kirk provided draft legislative language that the College prepared as a starting point for legislation to mandate a nationwide pilot.

Subcommittee member Michael Burgess (R-26-TX) recently introduced H.R. 5866, the "Medicare Physician Payment Reform and Quality Improvement Act," which would repeal the SGR and replace it with the Medicare Economic Index (MEI) minus one percentage point.

The College commends Rep. Burgess for his leadership on this important issue but would prefer an update that is identified in statute rather than one tied to the MEI, which is less predictable. For more information on H.R. 5866, contact Tracy Novak at tnovak@acponline.org.

Dr. Kirk also urged Congress to direct Medicare to provide higher payments to physicians who acquire and use health information technology to support quality measurement and improvement and to authorize separate payments for email and telephone consultations that can reduce the need for face-to-face visits. She concluded by saying, "Congress has the choice of maintaining a deeply flawed reimbursement system the results in fragmented, high volume, over-specialized and inefficient care that fails to produce consistently good quality outcomes for patients. Or it can embrace the opportunity to put Medicare on a pathway to a payment system that encourages and rewards high quality and efficient care centered on patients' needs." Dr. Kirk's testimony is available at http://www.acponline.org/hpp/pay_system.pdf.

Leadership Day 2006

In May, 264 members from 42 states and the District of Columbia converged on Capitol Hill to lobby their senators and representatives on issues important to internal medicine as part of Leadership Day 2006. One major issue discussed was payment policies and other factors contributing to the looming collapse of primary care. ACP members outlined the problems with the Medicare payment system and urged repeal of the sustainable growth rate formula (SGR) used to calculate physician fees. They also explained to lawmakers the College's patient-centered medical home model of care delivery, which would put internists at the head of teams delivering physician-guided, patient-centered care.

Leadership Day is an advocacy program that allows members from across the nation to meet face-to-face with their congressional delegation on Capitol Hill. The program has been effective in bringing greater visibility on the Hill to internal medicine issues while also building a key group of leaders who are trained to advocate for the College's positions throughout the year. Attendees receive briefings from administration officials and members of Congress and an in-depth orientation to the College's top legislative priorities. Leadership Day also features optional grassroots and media training sessions and, for the first time this year, a special briefing was offered to associates and medical students.

During the Awards Dinner, the College recognized several individuals who have made exceptional contributions to advance ACP's policy agenda and presented them with awards.

Winners of Leadership Day 2006 Awards

Joseph F. Boyle Award for Distinguished Public

Service: Mark R. Warner, former Governor, Commonwealth of Virginia

Key Contact of the Year:

Murli Manohar, MD, PhD, FACP
(Canton, Ohio)

See photo, right, of ACP President Dr. Lynne Kirk presenting the Key Contact of the Year Award to Dr. Manohar.



Key Contact Special Recognition Awards:

Robert Allison, MD, FACP (Pierre, SD)
Dawn Clancy, MD, FACP (Johns Island, SC)
S.A Dean Drooby, MD, FACP (Okla. City, OK)
Jacqueline Fincher, MD, FACP (Thomson, GA)
William Fox, MD, FACP (Charlottesville, VA)
Glenn Littenberg, MD, FACP (Pasadena, CA)
Robert McLean, MD, FACP (New Haven, CT)
Richard Neubauer, MD, FACP (Anchor., AK)
Susan Sprau, MD, FACP (Northridge, CA)
Sara Walker, MD, MACP (Columbia, MO)

2006 Special Advocacy Awards:

Vineet Arora, MD (Chicago, IL)
Kerry Donegan, MD (New York, NY)

Leadership Day 2007 will take place on May 15-16 at the Wyndham Washington, DC Hotel, and is expected to draw the highest attendance on record.

Great Advocacy Recognized - Representative Ralph Regula (R-16-OH), a leading health appropriator, recently contacted Murli Manohar, MD, PhD, FACP, to congratulate him on his Key Contact of the Year Award. He noted from personal experience that Dr. Manohar is a dedicated and compassionate physician who is deeply committed to grassroots advocacy and praised Dr. Mahohar for his diligent efforts to provide him with valuable insights into issues that concern internists and their patients.



Rep. Nancy Johnson (R-5-CT) briefs Leadership Day participants on Capitol Hill.



HIT Legislation Goes To Conference Committee

On July 27, the House passed H.R. 4157, the “Health Information Technology Promotion Act of 2006,”

by a vote of 270-148. The bill is designed to move toward full-scale adoption of interoperable health information technology. In a July 26 letter to House Speaker Dennis Hastert, ACP President Lynne Kirk, MD, FACP, encouraged passage of the bill and specified several provisions that ACP considers especially important, including (1) authorization to create the Office of the National Coordinator of Health Information Technology (ONCHIT) and clear definition of the duties of that office; and (2) authorization to study and reconcile the variation of state and federal standards established under HIPAA. To see Dr. Kirk’s letter, go to http://www.acponline.org/hpp/hastert_hr4157.htm.

The bill will now go to a House-Senate conference committee to work out differences between it and S. 1418, the “Wired for Health Care Quality Act,” which the Senate passed last November. ACP will continue to work for provisions that would include financial and reimbursement incentives to physicians, particularly those in small physician practices. In addition, the College has significant concerns regarding the mandate in the House version to replace the use of International Statistical Classification of Disease and Related Health Problems (ICD-9-CM) with ICD-10-CM by October 2010. ACP believes the conversion to a greatly expanded set of diagnosis codes will be costly and burdensome to most physician practices, especially practices that are small to mid-sized. ACP will likely call on its grassroots network to help once the conference committee is identified. Stay tuned for more information.

HHS Releases Final Rule for Donating HIT

On August 8th, the U.S. Department of Health and Human Services published the final rule establishing protections for health care entities interested in donating e-prescribing and electronic health record technology to physicians. Specifically, the final rule creates two safe harbors within the Federal Anti-Kickback Statute and two exceptions within the Physician Self-Referral Law lifting the prohibition on donating any items or services of value. The final rule becomes effective October 9, 2006. For a more detailed analysis, go to <http://www.acponline.org/hpp/hit.pdf>

Questions or Comments

Contact Tracy Novak, Grassroots Associate and PAC Administrator, Email: tnovak@acponline.org; Phone: 800-338-2746 ext. 4532 or 202-261-4532.

HHS Appropriations Update

As expected, Congress left for the August recess without approving FY07 appropriations for the Department of Health and Human Services. Both House and Senate Appropriations Committees have approved their own versions of HHS funding. Consistent with the House Committee's version, the Senate bill funds the Agency for Healthcare Research and Quality (AHRQ) at this year's level of nearly \$319 million, including \$15 million for comparative effectiveness research. ACP, along with other health organizations, requested \$440 million for the agency and \$60 million for comparative effectiveness research. The House Committee funding level (\$313 million) for Title VII Health Professions is \$9 million more than the Senate level of \$304 million. The House bill restores funding for geriatrics but the Senate bill does not. The funding level in the House bill for the National Health Service Corps is \$132 million, an increase of \$6 million over FY06 funding, and somewhat higher than the Senate Committee level. Funding for NIH is higher in the Senate bill, \$28.5 billion compared to the House number of \$28.3 billion. Final approval of FY07 appropriations may not occur before the early October target adjournment date and in fact, may be voted on in a lame duck session after the November election.



Expanding Health Insurance Coverage

Senators George Voinovich (R-OH), Jeff Bingaman (D-NM), Daniel Akaka (D-HI), and Mike DeWine (R-OH)

recently introduced S. 2772, the “Health Partnership Act,” which would reform the U.S. health care system by expanding coverage and improving quality and efficiency. The bill would establish an application and award structure for applying states and a State Health Innovation Commission to review, recommend, and monitor the applicants. The Commission would require that states seeking approval for piloting alternative programs provide minimum health benefit packages; ensure that quality measurements are reported; and evaluate cost savings as well as demonstrate how the number of insured persons in the state would be expanded within five years. In a letter from ACP President Lynne Kirk, MD, FACP, to Senators Voinovich and Bingaman, the College voiced its support for the bill and noted its satisfaction with provisions that call for participating states to be measured not only on their ability to increase coverage and reduce cost, but also to increase quality and incorporate health information technology and other quality-enhancing infrastructure. A copy of the letter is available at <http://www.acponline.org/hpp/bingaman.htm>.

Congress Passes Legislation to Help Consolidate Medical Student Debt

Congress recently repealed a controversial provision that prevented individuals with student debt from seeking competitive consolidation rates. The action was hailed by medical organizations as a major step forward for medical students. During ACP's Leadership Day in May, medical students and residents had talked with legislators about repealing the 'single holder' rule. Under that rule, borrowers with multiple federal student loans who wished to consolidate debt could do so only through their original lender, thereby limiting consolidation options. Without the single holder rule in place, borrowers will now be able to find the best interest rates, customer service and loan packages available. The repeal was part of the emergency supplemental appropriations act that the president signed into law on June 15.

SPOTLIGHT

Vineet Arora, MD (Chicago, IL),
Eugene Ograd, MD, FACP
(Portland, OR) **Larry Stein, MD,**
FACP (Arlington, VA) deserve
special recognition for being the
focus of an article titled "Politics:



Yes, You *Can* Make a Difference." The article discusses their involvement in grassroots advocacy and the rewards they experience. For a copy of the article, go to <http://www.physicianspractice.com/index.cfm?fuseaction=articles.details&articleID=821>.

Thank you to **Robert McLean, MD, FACP** (New Haven, CT) for his involvement in an article about the looming crisis in primary care in the New Haven Register on May 30. The article follows up on Dr. McLean and the Connecticut delegation's experiences during Leadership Day.

And a special thank you to everyone who contact CMS in support of the proposed rule for evaluation and management (E/M) services. [For a copy of ACP's letter to CMS on the proposed rule, go to http://www.acponline.org/hpp/soc_fiveyearrev.pdf.] We understand several hundred ACP members voiced their support, including the following key contacts...**Howard Axe, MD** (Arlington Heights, IL); **F.A. Barada, Jr., MD** (Durham, NC); **Leyka Barbosa, MD** (Dallas, TX); **Calvin Bard, MD, FACP** (Knoxville, TN); **Homar Bartra, MD, FACP** (Phoenix, AZ); **Muhammed Beeai, MD, FACP** (Grosse Pointe Woods, MI); **Larry Bergstrom, MD, FACP** (Scottsdale, AZ); **Spencer Berthelsen, MD, FACP** (Sugar Land, TX); **Cary Bjork, MD, FACP** (Marquette, MI); **Philip Brachman, Jr., MD, FACP** (Atlanta, GA); **Dawn Brezina, MD**

(Wilson, NC); **Michael Bronze, MD, FACP** (Oklahoma City, OK); **Bryan Calcote, MD** (Brookhaven, MS); **Mark Capriolo, MD** (Wausau, WI); **Bill Chacko, MD** (Rome, GA); **David Chansolme, MD** (Oklahoma City, OK); **Yung-Wei Chi, DO** (Kenner, LA); **Chester Choi, MD, FACP** (Long Beach, CA); **Jesse Chua-Reyes, MD** (Middletown, CT); **Dawn Clancy, MD, FACP** (Johns Island, SC); **James Corsones, MD** (Kingston, NY); **Jeffrey Crandall, MD, FACP** (Cedar Falls, IA); **Anne Cummings, MD** (Greenbrae, CA); **Rebecca Jane Cunningham, MD** (Dedham, MA); **John Custis, MD, FACP** (Gresham, OR); **Charles Cutler, MD, FACP** (Merion, PA); **Nancy Dawson, MD** (Jacksonville, FL); **John DeCarli, DO, FACP** (Wilmington, DE); **Thomas DeMarco, MD** (Mariette, GA); **Sima Desai, MD, FACP** (Portland, OR); **Jaspreet Dhoot** (Portland, OR); **Beth Dorn, MD** (Torrance, CA); **Arnold Drake, MD, FACP** (Memphis, TN); **SA Dean Drooby, MD, FACP** (Oklahoma City, OK); **Hank Eason, MD, FACP** (University Park, FL); **Mark Eckman, MD, FACP** (Cincinnati, OH); **David Edelson, MD, FACP** (Manhasset, NY); **Glenn Egelman, MD, FACP** (Bowling Green, OH); **Dan Elliott, MD** (Hockessin, DE); **Mark Erlebacher, MD, FACP** (Fayetteville, NY); **Richard Fasanello, DO, FACP** (Ozone Park, NY); **H. Kenneth Fisher, MD, FACP** (Beverly Hills, CA); **William Fogarty, Jr., MD, FACP** (St. Louis, MO); **William Fox, MD, FACP** (Charlottesville, VA); **Robert Frelick, MD, FACP** (Wilmington, DE); **Rick Frieden, MD** (Chico, CA); **Alvin Furuike, MD, FACP** (Honolulu, HI); **James Gallagher, MD, FACP** (Danville, PA); **Regina Gan-Carden, MD** (Baltimore, MD); **Mindi Garner, DO** (Pittsburg, KS); **Ian Gilson, MD, FACP** (Milwaukee, WI); **Bob Gluckman, MD, FACP** (Portland, OR); **Lynne Goebel, MD, FACP** (Huntington, WV); **Kenneth Goldblum, MD** (Coatsville, PA); **Gary Goldstein, MD, FAAP, FACP** (Tarpon Springs, FL); **Robert Gong, MD, FACP** (Henderson, NV); **Gary Greenberg, MD, FACP** (Durham, NC); **John Guenst, MD** (Nashville, TN); **Phyllis Guze, MD, FACP** (Los Angeles, CA); **Sharon Haase, MD, FACP** (Beaver Dam, WI); **Melanie Hanna-Johnson, MD** (Detroit, MI); **R. Scott Hanson, MD** (Tallahassee, FL); **Patricia Harris, MD** (Bethesda, MD); **Douglas Hegstad, MD, FACP** (Moreno Valley, CA); **Edward Herzig, MD, FACP** (Fairfield, OH); **Pamela Hiebert, MD** (Bozeman, MT); **Edward Hoffer, MD, FACP** (Framingham, MA); **Chuck Hofmann, MD, FACP** (Baker City, OR); **Malcolm Horne, MD, FACP** (Dallas, TX); **Harry Horner, MD, FACP** (Waynesboro, VA); **Isabel Hoverman, MD, MACP** (Austin, TX); **David Ingham** (Plymouth, MN); **Jeffrey Jaeger, MD** (Philadelphia, PA); **Paul Johnson, MD** (Minneapolis, MN); **Richard Kanner, MD, FACP** (Salt Lake City, UT); **Paul Katz, MD, FACP** (Miami Beach, FL); **Douglas Keim, MD, FACP** (Winchester, VA);

Janardan Khandekar, MD, FACP (Evanston, IL); **Rajiv Kinkhabwala, MD** (Glen Ridge, NJ); **Donald Krause, MD, FACP** (Bangor, ME); **Andrew Kundrat, MD** (Laurel, MD); **Kesavan Kutty, MD, FACP** (Milwaukee, WI); **Kevin Larsen, MD, FACP** (Minneapolis, MN); **Robert Lebow, MD, FACP** (Southbridge, MA); **Joel Levine, MD, FACP** (Denver, CO); **Mark Levine, MD, FACP** (Shelburne, VT); **Arthur Lurvey, MD, FACP** (Los Angeles, CA); **Daniel Mangum, DO, FACP** (Tigard, OR); **Donald Marks, MD, FACP** (Hoover, AL); **James Martin, MD** (Mercer Island, WA); **Mark Mayer, MD, FACP** (University Heights, OH); **William McCray, Jr., MD, FACP** (Anchorage, AK); **Paul McKenney, MD** (Warwick, RI); **James Merrin, MD** (Thousand Oaks, CA); **George Meyer, MD, FACP** (Fair Oaks, CA); **Ira Mickenberg, MD, FACP** (Southbury, CT); **Robert Mirsky, MD** (Newtown, PA); **Clay Molstad, MD, FACP** (Pensacola, FL); **Stephen Montamat, MD, FACP** (Boise, ID); **Julio Mora, MD, FACP** (Lincolnwood, IL); **Kevin Moynahan, MD** (Tucson, AZ); **Robert Mulcahy, MD** (Concord, OH); **Mary Nadratowski, MD** (Secaucus, NJ); **David Nardone, MD, FACP** (Hillsboro, OR); **Munir Nassar, MD, FACP** (Pittsford, NY); **Thomas Niethammer, MD, FACP** (Sheridan, WY); **Rich Neubauer, MD, FACP** (Anchorage, AK); **Lyle Olson, MD, FACP** (Lewis Center, OH); **Ed Palmer, Jr., MD, FACP** (Jackson, TN); **Lou Pangaro, MD, FACP** (Kensington, MD); **Clark Parrish, MD** (Bellingham, WA); **Naresh Pathak, MD, FACP** (Parkland, FL); **Michael Patmas, MD, FACP** (Bend, OR); **Stephen Pauker, MD, MACP** (Boston, MA); **Sam Peeples, MD, FACP** (Jackson, MS); **Bill Petit, Jr., MD, FACP** (Plainville, CT); **Larry Phillips, MD** (Floral Park, NY); **James Principe, MD** (Pawleys Island, SC); **Becky Quiroz, MD** (San Antonio, TX); **William Reed, MD, FACP** (Norfolk, VA); **Peter Reiter, MD, FACP** (Ottumwa, IA); **Kathryn Rensenbrink, MD** (Trenton, ME); **Eugene Rich, MD, FACP** (Omaha, NE); **Michelle Rocca, MD** (Ashburn, VA); **Robert Rogers, MD, FACP** (Beverly Hills, CA); **David Sachar, MD, FACP** (Englewood Cliffs, NJ); **Patsy Sadler, MD, FACP** (Clinton, SC); **James Sawyer, MD, FACP** (Longview, TX); **Brian Scanlan, MD** (New York, NY); **Neil Schwartzman, MD, FACP** (Lebanon, MO); **Brian Seppi, MD** (Spokane, WA); **Michael Sha, MD, FACP** (Carmel, IN); **Michele Shaver, MD** (San Juan Capistrano, CA); **Saba Sheikh, MD, FACP** (Ellicott City, MD); **Tom Simmons, MD** (Mission Hills, KS); **Todd Simon, DO** (West Palm Beach, FL); **Christine Sinsky, MD** (Dubuque, IA); **Myra Skluth, MD, FACP** (Norwalk, CT); **Bruce Slater, MD, FACP** (Madison, WI); **Frederick Smith, MD, FACP** (Great Neck, NY); **Susan Sprau, MD, FACP** (Santa Monica, CA); **Jon Sweet, MD, FACP** (Roanoke, VA); **Kouichi Tanaka, MD, MACP** (Torrance, CA); **Mary Anne Totten, MD,**

FACP (Ogunquit, ME); **Jitendra Trivedi, MD, FACP** (Mount Vernon, IL); **Luzcel Tuazon, MD** (Kennewick, WA); **Fred Turton, MD, FACP** (Sarasota, FL); **Lisa Vasak, MD, FACP** (Santa Monica, CA); **Donald Venes, MD** (Brookings, OR); **Joseph Viola, MD** (Brookline, MA); **Frederic Walker, MD, FACP** (Grand Junction, CO); **Don Weinberg, MD, FACP** (Williston, VT); **Jeffrey Whittle, MD** (Shorewood, WI); **Rhonda Wilson, MD** (Meridian, MS); **F. David Winter, Jr., MD, FACP** (Dallas, TX); **Mark Winton, MD** (Lohman, MO); **Robert Wilson, MD** (Fernandina Beach, FL); **James Witherington, III, MD, FACP** (Jackson, TN); **Melaura Wittemyer, MD** (Portland, OR); **Andy Wormser, MD** (New Haven, CT); **Ernie Yoder, MD, PhD, FACP** (Huntington Woods, MI); **Ed Yourtee, MD, FACP** (Derry, NH); **Ronald Ziman, MD, FACP** (Northridge, CA); **Michael Zimmer, MD, FACP** (St. Petersburg, FL); **Steve Zimmet, MD, FACP** (Arlington, VA); **Daniella Zipkin, MD** (Santa Cruz, CA).



ACP President Lynne Kirk, MD, FACP, shakes hands with Mark McClellan, MD, PhD, Administrator of CMS, after testifying before the House Energy and Commerce Committee's Subcommittee on Health about reforming the Medicare payment system.

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Questions or Comments

Contact Tracy Novak, Grassroots Associate and PAC Administrator. Email: tnovak@acponline.org; Phone: 800-338-2746 ext. 4532 or 202-261-4532.

Legislative Action Center (LAC) website:

<http://www.acponline.org/lac> To logon, use your email address as the username and ACP as the password.