

Senate Finance Committee Completes Mark Up of Reform Bill; Sen. Snowe Uncommitted

The Senate Finance Committee completed its work on Chairman Baucus' draft health care reform bill on Friday morning around 2:00 am. A final vote is expected this coming week following the delivery of some more cost estimates from the Congressional Budget Office. The 10-year, \$900 billion proposal would significantly expand access but would be financed by cuts to Medicare and Medicaid, as well as new taxes and fees. The bill is expected to pass in the Committee this coming week and the Senate Democratic leaders will then work to meld the bill with the proposal previously passed in the Senate Health, Education, Labor & Pensions (HELP) Committee. A Senate debate on the bill could then begin before the end of October. Maine's Senior Senator Olympia Snowe has not yet indicated whether she will vote for the Senate Finance Committee proposal.

This morning in Washington, Richard Evans, M.D., a general surgeon practicing in Dover-Foxcroft and one of Maine's two AMA delegates, participated in a health system reform event in the White House Rose Garden with President Obama and other physicians across the country, including AMA Board Chair Rebecca Patchin, M.D. Watch the MMA website, www.mainemed.com, for photos and reports on the event.

From the point of view of physicians, two of the troubling provisions in the Senate Finance Committee (SFC) proposal involve the creation of an independent Medicare Advisory Commission and unfavorable changes to the Medicare PQRI program.

The Independent Medicare Advisory Commission is tasked with reducing Medicare costs by \$12 billion over five years. Hospitals would be exempt from the cuts because of the previous agreement with the White House that hospitals would reduce expenses by \$150 billion over ten years from what would otherwise be expected to be spent. The Commission would be required to reduce provider payment rates if the target for reduction was not met. Congress would have 30 days to stop implementation of the reductions, but could only do so with a two-thirds vote.

Relative to the existing Medicare Physician Quality Reporting Initiative (PQRI), the SFC proposal makes some improvements regarding feedback to the physician, but it also reduces the current 2010 2% bonus to 1% and reduces the bonus to 0.5% in 2011. It also begins to impose penalties on eligible physicians who do not participate beginning in 2012.

On the other hand, as the AMA President James Rohack, M.D. noted in a conference call at 1:00 pm today, there are many aspects of the SFC proposal that are very positive and consistent with AMA policy. These aspects include:

- Expansions of coverage for millions of Americans currently without insurance;
- Reductions in administrative waste and burden;
- Insurance reforms to prevent health plans from denying coverage for pre-existing conditions; and
- Expansion of coverage by providing tax credits, part of the AMA's plan for expanding coverage.

The bill also fixes the sustainable growth rate problem, but only for one year, replacing the scheduled 21.5% cut with a 0.5% update. The House bill, H.R. 3200, proposed a permanent fix over ten years at a cost of \$230 billion.

The AMA and other national medical organizations will be working diligently over the coming days to make positive changes in the Senate proposal, including more favorable SGR provisions, medical liability reforms, amending the Independent Medicare Advisory Commission provisions, and eliminating the Medicare/Medicaid provider enrollment fee of \$350 per physician.

MMA will continue to update members and their staffs on the work going on in Washington through the *Weekly Update* and other channels of communication.