

Medical Student INSIDER Archive

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I hope that you have enjoyed the holidays this month and your year is going well thus far. This is the November edition of the Medical Student Insider, and it is continuing to evolve to suit your needs based on your feedback. The end of the year continues to bring a lot of very interesting issues to the forefront of the legislative process – and this is your inside look into some of the happenings that will affect medical students, physicians, and our patients.

As always, I've included some links for you to learn more about the issue discussed and what you can do on your own regarding the issue. Remember – you have already demonstrated your ability to create change through your grassroots advocacy this year, through your phone calls to Congress to discuss student debt and through your discussions on SCHIP and covering the uninsured, so please keep on learning, continue to be active, and continue to be engaged through our AMA. And let me know how I can help you along the road by providing your comments!

Best of luck as you prepare for exams at the end of the calendar year, and thank you for your interest! Look out for the next update this coming month.

-- [Kunal Mitra, Government Relations Advocacy Fellow](#)

State Children's Health Insurance Program

If you have been following the developments surrounding the reauthorization of the State Children's Health Insurance Program (SCHIP), then you have seen our AMA's efforts on the frontlines to advocate for the protection of this important children's health insurance program.

In brief, SCHIP is a program providing health coverage for 6.6 million kids from low-income families who do not qualify for Medicaid but cannot afford health insurance. The key SCHIP bills that have moved through the House and the Senate this year have had the support of most of the nation's governors, America's Health Insurance Plans (AHIP), and the AARP. Bipartisan majorities supported the reauthorization in both the House and Senate this year, but the majority in the House was just short of overcoming a presidential veto of the legislation.

There have been quite a few developments regarding Congressional efforts to reauthorize SCHIP over the past few months. As you might recall from the last update, the House of Representatives and the Senate passed different versions of legislation to reauthorize SCHIP in August – H.R. 3162 and S. 1893/H.R. 976. In September, a bicameral compromise was reached

and a new SCHIP bill (a new version of H.R. 976) was passed by the House and the Senate, with a veto-proof majority in the Senate. The compromise bill was more similar to the earlier Senate passed version than the House bill, which would have also provided for physician payment updates in 2008 and 2009. President Bush vetoed the compromise bill on October 3, and the House was unable to override the veto, short 13 votes. Please refer to the [SCHIP Myth/Fact Sheet](#) (PDF, 49KB) for details about the bill.

After the veto was sustained, the House passed a revised version of the SCHIP reauthorization bill by a vote of 265-142. This bill, H.R. 3963 (the “CHIP Reauthorization Act of 2007”), was modified slightly from the vetoed SCHIP bill to try to address White House and House Republican criticisms of the first bill, but failed to satisfy their concerns. The Senate passed the bill in early November. Congressional negotiations to secure more Republican support for the bill in the House have stalled, and unless the stalemate is broken, it is increasingly likely that Congress will pass an extension of SCHIP rather than a full reauthorization.

According to the Congressional Research Service, if Congress passes an extension that merely continues to fund the program at current levels and does not provide additional funding to cover all those currently enrolled in the program, 21 states will run out of federal SCHIP funds before the end of fiscal year 2008, with nine states facing budget shortfalls as early as March 2008.

SCHIP - What you can do:

- Learn more about the issue by reading the COLA SCHIP/Medicaid [issue brief](#) (PDF, 259KB).

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Medical Education Debt

A flurry of activity surrounding medical education debt issues has demonstrated both how quickly issues can develop on the Hill and how quickly our AMA can respond to advocate for the students and patients affected by these changes.

The 20/220 pathway . . . just as a refresher, this pathway provides eligibility for 67 percent of incoming residents to claim economic hardship deferment, meaning that they can defer loan repayment for up to three years if their debt burden is 20% of their income and their income minus debt burden is no more than 220% of the federal poverty level.

This pathway was eliminated by legislation passed earlier this year, but due to an immediate response from our AMA’s Advocacy Staff and through your grassroots advocacy efforts across the country, the 20/220 pathway has been preserved until fall of 2008. This action was achieved by the Department of Education maintaining the 20/220 pathway through its rule-making process, through which it used the discretion provided to it by the law to maintain the pathway after receiving letters from our AMA and the AAMC.

On the legislative front, Senator Richard Burr (R-NC), after hearing from AMA lobbyists and North Carolina students and residents, introduced a bill with Senator Johnny Isakson (R-GA) to

reinstate the 20/220 pathway (S. 2303). In addition, several Congressmen including Reps. Vernon Ehlers (R-MI) and Buck McKeon (R-CA) sent a letter to the Department of Education, followed by another letter from Sens. Burr and Edward Kennedy (D-MA), encouraging Secretary of Education Margaret Spellings to use her discretion to maintain the 20/220 pathway.

Finally, the Higher Education Act governs all federal loan programs, including those that affect medical students – and it is up for reauthorization. What is important about that is that it offers us a legislative vehicle through which to push for reinstatement of the 20/220 pathway and other reforms. At the current time, the Senate has passed an HEA reauthorization bill (S. 1642) and the House has marked up its version (H.R. 4137), favorable reported to the House with a 45-0 vote in committee. We will continue to support S. 2303 while also advocating for the addition of that language to the final HEA reauthorization bill in order to achieve a permanent legislative reinstatement of the pathway.

Medical Education Debt - What you can do:

- Visit the [AMA-MSS Web site](#) to find out why economic hardship deferment matters.
- Make your voice heard! Use our [Action Alert](#) or call our grassroots hotline at (800) 833-6354 with our [Calling Script](#) (PDF, 27KB) in hand to talk to your legislators!

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Medicare Payment Reform

An issue that will affect us as future physicians and jeopardizes access to care for patients now, Medicare physician payment is scheduled to be cut by 10.1 percent in 2008, due to the fatally flawed [Sustainable Growth Rate \(SGR\) formula](#) (PDF, 38KB), which does not provide updates that reflect increasing physician practice costs. This scheduled cut, which has been officially released by the Centers for Medicare and Medicaid Services (CMS) in a final rule, threatens access to care for our nation's seniors. An AMA survey has revealed that 60 percent of physicians say that the cut will force them to limit their new Medicare patients.

However, there is an effective way to fund the payment update for physicians. By eliminating \$54 billion in excess payments to insurance companies, Congress can preserve access to health care by providing physicians with payment increases and limiting patient premium increases. Medicare Advantage plans, on average, are paid 12 percent more than what the government spends on patients enrolled in traditional Medicare.

As of right now, the Senate Finance Committee is tentatively scheduled to publicly mark up a Medicare package on the week of December 5, and averting the 10.1% SGR cut is the driving force for the package. Senator Max Baucus (D-MT), Chairman of the Finance Committee, has had difficulty generating support for a two-year physician payment intervention and a package totaling \$30 billion in spending over 5 years, while the Ranking Member of the Committee, Senator Charles Grassley (R-IA), has called for a one-year approach.

The Senate Finance Committee's Medicare package will establish a negotiating position with the House, which will negotiate from the Medicare provisions contained in the CHAMP Act that was passed in July and supported by the AMA and other physician groups.

As our AMA President, Dr. Ronald M. Davis, said in joint comments with AARP CEO William D. Novelli, Congress "has a choice: Keep its long-term commitment to keep Medicare strong for Americans -- or keep over-subsidizing big insurance. . . . Seems like an easy choice to us."

Medicare Payment Reform - What you can do:

- Contact your legislators while they discuss this issue today!

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Health Information Technology

As Health Information Technology (HIT) continues to evolve, so do the developments surrounding relevant legislation, policy, and agencies. For example, e-prescribing has emerged as an important issue, where prescriptions are "written" electronically rather than by hand by the physician and then electronically submitted to be filled. The Medicare Modernization Act of 2003 (MMA) called for the development of uniform stands for prescribers electing to electronically transmit their prescriptions for drugs covered by the Medicare drug benefit (Medicare Part D). Now, with pressure mounting from various groups including the Pharmaceutical Care Management Association, Blue Cross and Blue Shield, as well as 22 other healthcare industry groups, it seems possible that this issue will be revisited soon. Our AMA is calling for the development of national e-prescribing standards, allowing adoption of e-prescribing to be voluntary, and for funding for physicians who will have to bear the burden of adopting this technology, and has issued letters and engaged in conversations with Congressional leaders as such.

Also, a bill called the "Wired for Health Care Quality Act," introduced by Senators Clinton, Gregg, Enzi and Kennedy, has been introduced this year to enhance the adoption of a nationwide interoperable health information technology system. However, provisions in this bill do not adequately address the essential elements needed to ensure a national HIT network that is functional, interoperable, and adequately addresses barriers to adoption. Thus, an AMA letter, co-signed by 35 specialty associations, addresses concerns regarding the appropriate use of data to present quality of care, the proper development of quality measures through a process that includes physicians and health professionals, development and testing of HIT standards, patient privacy, and adequate and direct funding for physicians who will bear the significant financial burden to implement HIT while other sectors benefit from its implementation.

HIT - What you can do:

- Visit our AMA [HIT Web site](#) to learn the basics of HIT.
- Contact your [MSS Governing Council](#) and [me](#) about your particular interests in HIT.

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Voice for the Uninsured

The AMA's Voice for the Uninsured Campaign is well under way, with our AMA promoting the issue at various events throughout key primary states and Washington, D.C., over the past several months. Your Governing Council and Committee on Legislation and Advocacy has been working hard to connect with your chapter leaders to spread the word about all the activities related to the campaign.

As you may know, more than 47 million Americans are uninsured, and the U.S. spends nearly \$100 billion to provide uninsured patients with health services, often for preventable diseases or diseases more efficiently treated with early diagnoses.

The campaign will be crucial to encouraging people to vote with these issues in mind and to help drive change in the American health care system, keeping in mind that the first presidential primaries are scheduled to occur in the first few days of January, 2008.

Voice for the Uninsured - What you can do:

- Check out the new [Voice for the Uninsured Podcast series](#) online!
- Learn more about the presidential candidates' positions on health care through the host of features on our [AMA Web site](#).
- Take a look at the [MySpace page](#) on the Voice for the Uninsured Campaign!

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Medical Liability Reform

Although more of a state level update than federal, there have been significant developments related to medical liability within the past month. In Illinois, a 2005 law was voided by a Cook County Circuit Court ruling on November 13, a law which limits pain and suffering damages to \$500,000 for physicians and \$1 million for hospitals. The court called the law a violation of the separation of powers between the legislature and the judiciary, claiming courts should determine awards without restrictions from lawmakers. The case will now proceed to the state Supreme Court where noneconomic damages have been declared unconstitutional in two previous instances.

The Illinois State Medical Society noted that the state's largest insurer reduced rates an average of 5.2% across all specialties over the past two years. In addition, the state had reportedly received an influx of neurosurgeons and obstetricians in areas previously underserved by those specialties. These improvements to access to these specialties are now threatened by the November 13 ruling.

As our Board of Trustees member, Dr. Robert M. Wah, states, "Medical liability reforms work. After placing a cap on non-economic damages more than three decades ago, the medical liability climate in California remains stable with premiums in check. In 2003, Texas enacted reforms and now patients benefit from a statewide influx of physicians. The AMA continues to vigorously support state and federal reforms to protect access to care for all Americans."

After reforms were passed in Texas (where a 2003 referendum barred courts from interfering with malpractice caps set by the legislature), the number of medical licenses granted in Texas has climbed 18% since 2003, according to the Texas Medical Board. As malpractice premiums have fallen by an average of 21.3 percent, the increase in certain medical specialties has been very notable, including an increase of 186 obstetricians, 156 orthopedic surgeons and 26 neurosurgeons, as reported by the Texas Alliance for Patient Access.

Medical Liability Reform - What you can do:

- Learn more about this issue by reading the AMA's Medical Liability Reform [issue brief](#) (PDF, 329KB).

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