



Special Edition

ADVOCACY UPDATE

Senate Reaches Compromise on H.R. 3590; AMA Supports Passage of Amended Bill While Working for Changes in Conference Committee Negotiations

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Senate Majority Leader Harry Reid (D-Nev.) unveiled his long-anticipated manager's amendment to H.R. 3590, the "Patient Protection and Affordable Care Act," on Dec. 19. This amendment reflects compromises reached during the past few weeks in order to gain the 60 Senate votes needed for passage of the bill. The effort to garner votes appears to have been successful, as demonstrated at 1:18 a.m. today when the Senate voted along party lines on the first of three cloture votes that will be required to pass the bill by Christmas Eve.

The AMA has been deeply involved in negotiations with Senate offices, advocating for changes outlined in a letter sent to Sen. Reid on Dec. 1 (<http://www.ama-assn.org/ama1/pub/upload/mm/399/hsr-ama-reid-hr3590.pdf>). As a result of those negotiations, the manager's amendment reflects the following significant changes:

- The 10 percent payment bonus for primary care and general surgery in underserved areas will no longer be offset by cuts in other physician services to maintain budget neutrality.
- The proposed tax on elective cosmetic surgery and medical procedures has been eliminated.
- The proposed enrollment fee for physicians who participate in Medicare and Medicaid has been eliminated.
- The proposed one-year, 0.5 percent patch to Medicare's sustainable growth rate (SGR) formula that calls for a 21.2 percent cut in 2010 has been eliminated, as recommended by the AMA to make funds available to offset the costs of these changes and to keep the focus on a permanent SGR repeal early next year. A provision in a separate Department of Defense appropriations bill averts the cut on Jan. 1 by extending the 2009 conversion factor for 60 days. At a Dec. 19 news conference (<http://www.c-span.org/Watch/Media/2009/12/19/Health/A/27519/Senate+Majority+Leader+Reid+Senate+Democrats+Press+Briefing.aspx>), Sen. Reid stated his intent to pass legislation to permanently repeal the SGR formula after the holidays.

In addition, the AMA secured modifications to various policy proposals in the original bill and in amendments ultimately included in Sen. Reid's compromise that pertain to quality improvement and cost containment initiatives, as well as comparative effectiveness research. Also of interest, the manager's amendment includes a provision to authorize the Secretary of Health and Human Services to pursue demonstration programs on alternative liability reforms.

The AMA sent a letter to Sen. Reid (<http://www.ama-assn.org/ama/pub/health-system-reform/ama-supports-hr-3590.shtml>) this morning expressing support for Senate passage of the bill, while identifying outstanding issues that need to be resolved in conference committee. Those issues include:

- Additional refinements to proposals to release Medicare data and other quality improvement initiatives to ensure that they produce accurate, scientifically valid, and verifiable information for patients and physicians.
- Modifications to the Independent Payment Advisory Board, formerly known as the Independent Medicare Advisory Board, to ensure transparency and accountability of the policy-making process and to prevent cost savings burdens from being borne disproportionately by any one sector of providers.

Importantly, Congress must also pursue a clear path for passage of a permanent repeal of the SGR before the two-month reprieve from the 21.2 percent Medicare physician payment cut expires on March 1, 2010. In addition to comments made by Sen. Reid, Sen. Max Baucus (D-Mont.) also spoke on the Senate floor regarding the need and intent to pass legislation to permanently repeal the SGR.

The AMA noted in its letter that these outstanding issues will be necessary to secure the AMA's support for the final conference agreement on health system reform.

AMA leaders will be available to answer questions about the legislation and the AMA's advocacy efforts during telephone conference calls that are being arranged. Members of the Federation are urged to monitor their e-mail for further information.