



January 8, 2010

Health Reform Update

President Obama met with congressional Democratic leaders this week to begin the process of melding the House of Representatives' and the Senate's health reform bills, and House and Senate leaders recently began informal talks on merging the two competing pieces of legislation. President Obama and Congressional leadership opted for informal negotiations instead of undergoing the formal conference committee process, as this method prevents additional opportunities for Republicans to filibuster health reform legislation. Both chambers of Congress still need to vote on identical versions of health reform legislation before a final, unified bill is sent to President Obama for signature.

The House of Representatives reconvenes next week, while the Senate does not return to session until Jan. 20. While Congressional leaders have set a goal of passage by the end of January, it has been estimated that a final health reform bill could be sent to President Obama by the first week in February.

This week, the AAP sent a letter to Congressional leadership on the Academy's top priorities in health reform legislation. The letter can be found on the Department of Federal Affairs [Member Center Web site](#), and the three priorities are outlined below:

- **Health care coverage for all children in the United States:** One of the Academy's highest priorities for a final health reform bill is to cover as many children as possible with quality health insurance. The Academy favors the policies outlined in the House of Representatives' bill that lead to more children covered (36 million in the House package versus 31 million in the Senate). Because coverage has a strong correlation to improved health outcomes, the AAP prioritizes health care coverage for all children.
- **Age-appropriate benefits in a medical home:** Both bills take a significant step forward in providing age-appropriate benefits for children in the proposed health insurance exchanges. The Senate bill would also immediately provide all services included in the HRSA-approved consensus guidelines embodied in *Bright Futures*. This provision may go farthest in bringing the appropriate preventive benefits to children in the United States, as the vast majority of children are covered by private insurance. Regarding the medical home provisions in both health reform bills, the AAP believes that the House provisions, which would establish a Medicaid medical home pilot program, are appropriately resourced and provide superior community-based and primary care practice structures.
- **Appropriate payment rates to provide real access to care:** Nationally, Medicaid payment rates are approximately 72 percent of Medicare rates, which necessitates limits on the number of children covered by Medicaid that pediatricians are able to treat in order to maintain functional business models. The Academy supports House provisions to establish parity between payment for primary care codes in Medicare and Medicaid. The AAP will

continue to strongly encourage Congressional leadership to improve Medicaid payment rates and access to care for children and their families in final health reform legislation.

Additional Resources

As always, please visit the Department of Federal Affairs [Member Center Web page](#). We will continue to keep this page updated with resources and information on health reform, including recently posted side-by-side legislative analyses of various issues within health reform legislation. We have also posted the PowerPoint presentation and audio files from last month's membership conference calls on health reform.

Become a fan of the **Department of Federal Affairs'** [Facebook page](#) and learn about federal legislative issues affecting children and pediatricians through posted articles, photos, events and activities.

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The Department of Federal Affairs is here to support you and answer any questions you may have. Please contact Erin Wallace (ewallace@aap.org) or Bob Hall (rhall@aap.org) for more information.