



October 23, 2009

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## **FEDERAL HEALTH REFORM UPDATE**

This past weekend's National Conference & Exhibition (NCE) could not have come at a more critical time in the health reform debate. Thanks to the dedication and enthusiasm of Fellows from around the country, AAP advocated for children's needs within health reform to many members of Congress and their staff during the NCE. Thank you for your involvement in federal advocacy, at the NCE and beyond.

### **Senate**

Support is growing within both Chambers of Congress for some form of a public insurance option within health reform legislation. Senate Majority Leader Harry Reid (D-Nev.) is leading discussions to merge the Senate Finance Committee's bill with the Senate Health, Education, Labor and Pensions (HELP) Committee bill. The HELP Committee bill includes a public option, while the Finance Committee bill replaces a public plan with a series of health insurance cooperatives.

The merged Senate health reform bill is expected to be ready for floor debate next week.

On Wednesday, the Senate voted 53-47 to continue debating the Medicare Physician Fair Payment Act, which would have repealed the current sustainable growth rate (SGR) formula used to pay doctors who treat Medicare patients. The current formula proposes cuts each year to Medicare's physician payments, and the bill would have eliminated existing debt and provided a "flat update" to physician payments for 10 years. Twelve moderate Democrats and Sen. Joseph Lieberman (I-Conn.) voted to stop the bill from advancing in the chamber. Many legislators cited cost concerns as a reason for voting against it. While voting on the Medicare Physician Fair Payment Act outside of health reform would have helped preserve the \$900 billion cost ceiling set by President Obama in Senate health reform legislation, it would have increased the federal deficit by \$245 billion.

### **House**

Speaker of the House Nancy Pelosi (D-Calif.) announced this week that final health reform legislation blending work from the three House committees—Energy and Commerce, Education and Labor, and Ways and Means—could be introduced as early as next week. Speaker Pelosi's goal is for the House to pass its bill by Thanksgiving and for Congress to reach a final agreement for President Obama's signature before Christmas.

This week, House Democratic leaders also reported and then stepped back from a claim that they have enough votes within their caucus to pass final health reform legislation that includes a "robust" public insurance plan option. A score from the Congressional Budget Office released Tuesday showed that a health reform package including a robust public option would cost \$871 billion over 10 years, less than the \$900 billion limit set by President Obama. No House Republicans have said

that they would vote for a bill that includes a public option, meaning that Democrats must find the 218 votes needed to pass the bill within their own caucus. Similar to the Senate's work to find a consensus between the Finance Committee's proposed insurance cooperatives and the HELP Committee's proposed public plan, House Democrats must consider both the "robust" public option, which ties reimbursement rates for doctors to Medicare rates plus 5%, with two other proposals supported by moderate Democrats, which allow doctors to negotiate their reimbursement rates directly with the government. One of these proposals would trigger the Medicare plus 5% system if negotiated rates fail to generate savings.

### **WHAT CAN YOU DO?**

It is important that children's health does not become a casualty of compromise. Thank you all for your ongoing hard work to date on behalf of our nation's children. In the coming weeks as both the House and Senate aim to debate their pre-Conference Committee health reform bills on the chamber floor, we are counting on you to continue to speak up for children.

As both Chambers of Congress work through the details of health reform, you can call to remind Congress that children are not just little adults; they need access to age-appropriate benefits in a medical home, and quality, affordable health care that meets their unique health needs.

Your work truly has made a difference, and we urge you to serve as valuable resources for policymakers on Capitol Hill. As we inch closer and closer to the passage of comprehensive health reform legislation, we need your voices now more than ever to remind Congress that we must not just pass health reform, but enact health reform that allows our nation's children to get the care they need to grow into the healthy adults of tomorrow.

### **ADDITIONAL RESOURCES**

For those who attended NCE, you can now find all of the updated Federal Affairs materials online in the Members Center. Log into the AAP Members Center and click on the Federal Affairs page. There, you will find a link to materials and resources from the NCE, including talking points, handouts and PowerPoint presentations. And as always, we will continue to update the Members Center Federal Affairs page with the most up-to-date information, so please continue to visit. Our resources can help guide your advocacy efforts as you continue to speak up for children and pediatricians to members of Congress.

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*The Department of Federal Affairs is here to support you, and we are more than willing to answer any questions you may have. Please contact Erin Howard ([ehoward@aap.org](mailto:ehoward@aap.org)) or Bob Hall ([rhall@aap.org](mailto:rhall@aap.org)) if you have any questions.*