

MEMORANDUM

November 11, 2009

To: AAP Councils
AAP Sections

Fr: AAP Department of Federal Affairs

Re: Federal Health Care Reform Update - Subspecialty Workforce Issues

Pediatric subspecialty payment and workforce issues remain an important advocacy and legislative priority for AAP during the ongoing health reform debate. This update provides more information on the impact of HR 3962 for pediatric subspecialty and surgical specialty physicians, as well as goals and strategy for future advocacy activity related to health reform.

PAYMENT

The Academy has been advocating on multiple fronts to improve pediatric subspecialty and surgical specialty payment. This advocacy has led to success in two areas of the House bill passed on Saturday, November 7 (HR 3962).

The first is the inclusion of a study by the new Medicaid and CHIP Payment and Access Commission (MACPAC) on pediatric subspecialty and surgical specialty payment rates. This study, found in sec. 1784, requires that the MACPAC conduct, as one of its first activities, an analysis of the dearth of pediatric subspecialty payment rates and their impact on access to services for children under Medicaid and CHIP.

Additionally, the Academy has undertaken a more in-depth analysis of the impact of Section 1721, which was retained from HR 3200. This section of the legislation provides new federal funding for Medicaid payments to raise to a floor of 100% of Medicare within 3 years for primary care services (defined as E & M codes) and, if retained in the law eventually signed by President Obama will have a significant impact on pediatric subspecialists and surgical specialists.

Section 1721 would affect the proportion of the following Medicaid codes commonly used by subspecialists and pediatric surgical specialists:

	%Payment for E&M Services		%Payment for E&M Services
All Pediatrics Total	65.0%	Pediatric Orthopedics	23.1%
General Pediatrics	66.9%	Pediatric Emergency Medicine	78.0%
Neonatal-Perinatal Medicine	74.7%	Pediatric Otolarygology	35.1%
Pediatric Specialist (Undefined subspecialty)	52.3%	Pediatric Ophthalmology	34.2%
Pediatric Cardiology	23.3%	Pediatric Urology	31.0%
Pediatric Allergy & Immunology	41.9%	Pediatric Radiology	1.0%
Pediatric Hematology-Oncology	45.8%	Pediatric Critical Care Medicine	23.4%
Pediatric Pulmonology	28.4%	Pediatric Nephrology	74.1%

Pediatric Endocrinology	84.5%	Pediatric Infectious Diseases	49.7%
Pediatric Gastroenterology	57.1%	Pediatric Rheumatology	91.2%
Pediatric Surgery	28.0%	Pediatric Sports Medicine	62.1%

The chart above is based on AAP analysis of 2005 Medstat MarketScan, an adjudicated claims database of large employer plans. E&M Codes include the following:

E&M - Office Visits	99201-99215, 99341-99350
E&M - Preventive Visits/Well Baby	99381-99387, 99391-99436
E&M - Inpatient Visits	99217-99239, 99298-99340
E&M - Consultations	99241-99255
E&M - Emergency Room/Critical Care	99281-99296
E&M - Miscellaneous	99354-99380, 99440-99499

This chart makes clear that even if Sec. 1721 is to become law, significant disparities in payment would continue between Medicare and Medicaid for non-E&M services. The Academy will continue its advocacy with Congress and the White House to keep the policies from Sec. 1721 in any final bill signed by President Obama, as well as advocating to improve the policy to raise payment to a floor of parity with Medicare for **all** Medicaid payments.

WORKFORCE

AAP successfully lobbied relevant committees and offices, including the Senate Committee on Health, Education, Labor and Pensions (HELP) to include in its draft health care legislation a section dedicated specifically to pediatric subspecialty workforce. Section 423 of the final HELP bill allocates \$30 million per year for loan repayment to individuals who commit to pursuing full-time employment in pediatric medical subspecialty, pediatric surgical specialty, or child and adolescent mental and behavioral health care fields. Participants in this new program would be eligible for up to \$35,000.00 per year in loan repayment funds for 3 years. This initiative represents a major victory in educating Congress about the dire workforce shortages facing many pediatric subspecialties. The final Senate health care bill has not yet been released.

During the health care reform committee mark-up process, Representative Jim Matheson (D-UT) offered and then withdrew a bipartisan amendment to the Energy and Commerce Committee that would insert the pediatric specialty loan provisions in HR 3200. Representative Anna Eshoo (D-CA) spoke out strongly on behalf of the amendment and pediatric surgical specialists in particular. Committee Chairman Henry Waxman (D-CA) made comments to the effect that this was a laudable provision that he would work with Reps. Matheson, Eshoo, and others in the future to address the issue of pediatric specialty shortages.

The final House health care reform bill the Affordable Health Care for America Act (H.R. 3962), was released on October 29th and passed November 7, 2009 by a vote of 220-215. The bill did not include the pediatric subspecialty loan forgiveness provisions. However, when the House and Senate meet to reconcile their respective pieces of legislation, the Academy will press the House to accept the Senate pediatric subspecialty loan repayment language and to preserve the payment provisions.

The AAP Washington Office will continue its efforts to educate Capitol Hill about pediatric subspecialty workforce issues in the coming months. We welcome and encourage you to contact the Washington Office if you become aware of similar efforts underway in other organizations. We work closely with many allied groups and seek to ensure that we are all pursuing a coordinated, consistent strategy.

WHAT CAN YOU DO?

We must continue to act on behalf of our nation's children. Even though your elected members of Congress and Senators are working hard in Washington, they need to hear from you. Over the next weeks Congresspeople and advocates in DC will be working to finalize health reform legislation and as a result we need to regularly reaffirm the importance of providing children with the health services they need and deserve.

Become a Key Contact! Unlike regular FAAN emails, Key Contacts receive regular, more specific emails from the Department of Federal Affairs, keeping them informed about the latest developments and ways to get involved.

Key Contacts are AAP members who have agreed to take their advocacy to the next level. By becoming a Key Contact, you will receive important assignments and can provide critical information to AAP based on your results. In the coming months, we will be calling on Key Contacts with specific requests to make an impact on the health care reform debate. Being a Key Contact requires a very small time commitment but can yield big results! Join today by logging into the [AAP Member Center](#) and going to the Federal Advocacy page.

ACTION STEPS:

1. **Call your Senators;** tell them that children need comprehensive health care reform including access to pediatric subspecialists and pediatric surgical specialists.
 - a. Tell them the importance of addressing subspecialty payment parity.
 - b. Tell them the importance of addressing subspecialty workforce.
 - c. Be sure to use a personal example in passing this along.
2. **Submit an Op-Ed to Your Local Newspaper.** Suggested talking points and a quick how-to guide are available on the AAP Member Center.
3. **Call you local district offices for both your senators and your Representative to schedule meetings during recess.** Even though the Thanksgiving recess is still a while away, schedules fill up quickly. Also, remember that Members of Congress are home on weekends and other holidays and often have time for meetings available during these times. For materials to use in these visits, see below.

Learn more about the issues in health care reform! Log on to the AAP Members Center Federal Advocacy Page to get the latest background information and tools you need to make a difference!

- AAP Health Care Reform backgrounder
- AAP Access Principles
- AAP Priorities on Health Care Reform
- Talking Points
- Chapter sign-on letter
- Specific Senate and House legislation and official AAP responses
- Kaiser Family Foundation side-by-side of the Senate and House legislation