POLICY BEAT
Weekly Digest
February 1-5, 2010

This Week in Health Policy…
• SGR Medicare Physician Payment
• National Health Expenditures
• President’s FY11 Budget
• Haiti Relief Efforts

Office of Health Policy and Government Relations
Center for Medicare and Medicaid Services (CMS) estimates that Medicare reimbursements cover approximately 51% of the average practice costs.

There is a 21% cut in Medicare physician payments set to take effect March 1st if Congress does not address the sustainable growth rate (SGR) formula.

The scheduled cut will have an immediate impact on seniors since physicians may have to stop accepting Medicare patients.

The National Medical Association urges the Senate to pass a bill similar to the one passed in the House of Representatives (H.R. 3961) which fixes the SGR problem permanently.

The CMS Actuary released the following projections about Medicare and Medicaid long-term viability. Currently health care spending consumes one-sixth of the GDP and is projected to consume nearly one-fifth of the GDP by 2019. The projections remind us why we need meaningful health care reform now.

Projected National Health Expenditures, 2009-2019:

- Growth in NHE is expected to increase 5.7 percent in 2009 and average 6.1 percent per year over the projection period (2009-2019).
- The health share of GDP is projected to reach 17.3 percent in 2009 and 19.3 percent by 2019.
- Medicare spending is projected to grow 8.1% in 2009 and average 6.9% per year over the projection period.
- Medicaid spending is projected to grow 9.9% in 2009 and average 7.9% per year over the projection period.
- Spending on hospital services is projected to grow 5.9% in 2009 to $761 billion. Average growth of 6.1% per year is expected for the entire projection period.
- Spending on physician and clinical services is projected to grow 6.3% in 2009 to $528 billion. Average growth of 5.4% per year is expected for the entire projection period.

Projections of national health expenditures: NHE Fact Sheet
President Obama released his budget for fiscal year 2011 earlier this week. The budget directs $911 billion towards the Department of Health and Human Services (HHS).

A huge portion of the HHS budget - $818 billion of the $911 billion – is consumed by Medicare, Medicaid, and a few smaller mandatory spending programs. The remaining $81 billion will go to discretionary health spending.

The next slide highlights the funding provisions in the HHS budget. To access the full text of the HHS budget: [HHS Office of Budget].

### Agency/Program

<table>
<thead>
<tr>
<th>Agency/Program</th>
<th>2011 (in millions)</th>
<th>2010 (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Institutes of Health</td>
<td>32,089</td>
<td>31,089</td>
</tr>
<tr>
<td>Administration for Children and Families</td>
<td>17,480</td>
<td>17,336</td>
</tr>
<tr>
<td>Health Resources and Services Administration</td>
<td>7,511</td>
<td>7,483</td>
</tr>
<tr>
<td>Centers for Disease Control and Prevention</td>
<td>6,342</td>
<td>6,467</td>
</tr>
<tr>
<td>Indian Health Service</td>
<td>4,406</td>
<td>4,052</td>
</tr>
<tr>
<td>Centers for Medicare &amp; Medicaid Services (CMS)</td>
<td>3,601</td>
<td>3,415</td>
</tr>
<tr>
<td>Substance Abuse and Mental Health Services Administration</td>
<td>3,541</td>
<td>3,432</td>
</tr>
<tr>
<td>Food and Drug Administration</td>
<td>2,508</td>
<td>2,382</td>
</tr>
<tr>
<td>Administration on Aging</td>
<td>1,625</td>
<td>1,513</td>
</tr>
<tr>
<td>Public Health and Social Services Emergency Fund</td>
<td>734</td>
<td>1,347</td>
</tr>
<tr>
<td>Agency for Healthcare Research and Quality (AHRQ)</td>
<td>611</td>
<td>397</td>
</tr>
<tr>
<td>Discretionary Health Care Fraud and Abuse Control</td>
<td>561</td>
<td>311</td>
</tr>
<tr>
<td>General Departmental Management</td>
<td>544</td>
<td>500</td>
</tr>
<tr>
<td>Office of the National Coordinator for Health Information Technology (ONC)</td>
<td>156</td>
<td>103</td>
</tr>
<tr>
<td>Office of Medicare Hearings and Appeals</td>
<td>78</td>
<td>71</td>
</tr>
<tr>
<td>Office of Inspector General</td>
<td>52</td>
<td>50</td>
</tr>
<tr>
<td>Office of Civil Rights</td>
<td>44</td>
<td>41</td>
</tr>
<tr>
<td>Other</td>
<td>37</td>
<td>36</td>
</tr>
<tr>
<td><strong>TOTAL (including AHRQ and ONC outlays):</strong></td>
<td><strong>81,920</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Department of Health and Human Services
## What Will the President’s FY11 Budget do for Health Care?

<table>
<thead>
<tr>
<th>The Department of Health and Human Services Budget Highlights</th>
<th></th>
</tr>
</thead>
</table>
| **Expands Primary and Preventive Care** |  ✔ $290 million for health centers to expand health care access to medically underserved  
   ✔ $169 million towards the National Health Service Corps (NHSC) to place over 8,500 health care professionals in medically underserved areas.  
   ✔ $79 million for improving access to and quality of health care in rural areas. |
| **Health Information Technology (HIT)** |  ✔ $110 million for continuing efforts to strengthen health IT policy, coordination, and research. |
| **Help for States** |  ✔ $25.5 billion for a six-month extension of American Recovery and Reinvestment Act (ARRA) temporary increase in Federal Medicaid match |
| **Patient Centered Research** |  ✔ $286 million towards the Agency for Healthcare Research and Quality (AHRQ) for comparative effectiveness research.  
   ✔ Increase of $1 billion for the National Institutes of Health |
| **Prevention and Wellness Activities** |  ✔ Expands community health activities, strengthens the public health workforce, and enhances surveillance and health statistics to improve detection and monitoring of chronic disease and health outcomes.  
   ✔ $3 billion for HIV/AIDS treatment, care, and prevention activities. |
| **Combat Childhood Obesity** |  ✔ Additional $1 billion per year as part of the reauthorization of the school meals program and other child nutrition programs that help improve children’s access to healthy meals. |
Haiti Relief Efforts

If you have traveled to Haiti for earthquake response efforts, please share your experience with the NMA by e-mailing haitirelief@nmanet.org.

The National Medical Association’s Corporate Trustee, Dr Mark Wade, and Speaker of the House of Delegates, Dr. Rahn Bailey, have traveled to Haiti to complete a needs assessment. The Haiti Group was created, a joint effort of Arise and Walk Foundation and Bethel Gospel Assembly Christian Church, and the group plans to return one week of each month for 6-12 months. The next trip is planned for February 5-11th. The group brought much needed supplies, some manpower (three MDs and a NP), and support to the Grace Catholic church/orphanage. All basic supplies are needed desperately. These include hygiene materials, food, bottled water, bandages, clean towels/clothes, etc.

To be included on the NMA list of volunteers, please email us with the following information: name, phone, email, french/creole fluency, specialty and availability. Send all correspondences to haitirelief@nmanet.org.

We will continue to update our Haiti Earthquake Relief page as information becomes available.

Resources:
- [White House Haiti Earthquake Relief](#)
- [CDC Guide for Relief Workers Traveling to Haiti for Earthquake Response](#)
- [USAID – Haiti](#)
- [HHS – Haiti](#)
- [Association of Haitian Physicians Abroad (AMHE)](#)
- [Center for International Disaster Information](#)
What You Can Do

- Urge your senator to continue their support for permanent SGR repeal. Share with them stories about how cuts will impact your patients access to care.
  - Find contact information for your U.S. senator here.

- Do you have any stories to share about why we need health care reform completed this year? If so, send your stories to the NMA Health Policy Department at healthpolicy@nmanet.org.

- Monetary donations are still the most critical need to ensure that aid organizations/NGOs on the ground and the U.S. government have enough resources to meet demand in Haiti. We are receiving donations on the NMA website: Click Here to donate.

For the latest health policy news and information visit our page NMA Health Policy Updates
Resources


