

Dateline|Washington

prepared by the Division of Advocacy and Health Policy

Congress prepares for 2006 Medicare cuts

The College and its coalition partners successfully blocked the estimated 4.5 percent Medicare payment cuts scheduled to take effect this year and next, persuading Congress to replace them with 1.5 percent payment increases for both 2004 and 2005. Unfortunately, problems with the underlying payment update formula remain, and physicians could again face annual cuts of approximately 5 percent from 2006 through 2012, according to the Medicare trustees. This news has led congressional supporters to hold hearings on the current Medicare sustainable growth rate formula that is used to determine reimbursement to physicians and other health care professionals.

On May 5, Michael Bilirakis (R-FL), Chairman of the Health and Environment Subcommittee of the House Committee on Energy and Commerce, held a hearing on this issue. Participants from the General Accounting Office, the Congressional Budget Office, and the Medicare Payment Advisory Commission were given an opportunity to testify about the nature of the payment problem and the cost of possible solutions.

Although Congress is unlikely to develop legislation that would fix the formula this year, hearings of this type set the stage for congressional action early in 2005. Senate Finance Committee Chairman Charles Grassley (R-IA) has also expressed interest in hosting similar hearings later this year. Fellows are encouraged to visit the Legislative Action Center to contact their legislators about the problems inherent in the Medicare fee schedule.

Higher Education Act due for reauthorization

The College is working with a broad coalition of physician organizations to extend the federal Economic Hardship Deferment to the full length of a medical residency as part of the reauthorization of the Higher Education Act. Current law permits resident physicians to defer repayment of their federal student loans for up to three years if they exceed a defined debt-to-income ratio. This three-year limit places a significant financial burden on surgical residents who must complete five to seven years of residency training.

In addition, the College supports increasing the annual limit on federally subsidized Stafford Loans from \$8,500 to \$12,000 per year. Although the cost of education has risen each year, Stafford Loan limits have remained the same since 1992. This modest increase approximately covers the cost of inflation since the limits were last raised. Surgeons can view College and coalition letters on these issues at: <http://www.facs.org/ahp/views/gme.html>.

“Cover the Uninsured Week” raises awareness

A coalition led by former Presidents Jimmy Carter and Gerald Ford, as well as the Robert Wood Johnson Foundation and leaders of business, labor, and consumer organizations, sponsored “Cover the Uninsured Week,” May 10-16. The event featured more than 1,500 public health programs in all 50 states for one of the largest mobilizations ever aimed at raising awareness about the estimated 44 million Americans who are without health insurance. As part of the effort, Sen. Bill Frist, MD, FACS (R-TN), and Sen. Jay Rockefeller (D-WV) released a report, “Characteristics of the Uninsured: A View from the States,” at

Oklahoma expands surgical practice for optometrists

New law provides antitrust exemption for residency match program

a press conference on May 5, calling for a rededication of efforts to resolve this growing national problem (available at www.CoverTheUninsuredWeek.org).

In addition, Sen. Judd Gregg (R-NH) and a team of nine Republican senators released a proposal that would expand health care coverage to 22 to 30 million uninsured Americans, targeting low-income individuals, small business employees, immigrants, children, young adults, and preretirees. The congressional task force made specific recommendations to provide coverage to the uninsured through tax deductions, credit subsidies, and health savings accounts. They also proposed steps to improve health care delivery, such as providing tax deductions for specialists who care for uninsured patients. Finally, the task force offered several proposals to rein in the rising costs of health care, including medical liability reforms that would cap noneconomic damage awards.

The management of scope of practice issues in state legislatures continues to bedevil surgeons, and the College is working closely with the surgical specialty societies to preserve patient safety and high-quality surgical care. Most recently, Oklahoma optometrists conducted a successful last-minute legislative effort to amend a conference committee bill with a paragraph permitting them to perform eye surgery with scalpels. As signed into law by Oklahoma's governor, H.B. 2321 authorizes the Board of Examiners in Optometry to decide optometric scope of practice including the types of procedures that optometrists may perform on the eye and face. These procedures include cataract surgery, plastic surgery, facial reconstruction, and eyeball removal.

This development comes on the heels of a Veterans Affairs (VA) hospital in Kansas permitting an Oklahoma-licensed optometrist to perform anterior segment and other surgical procedures. In response to concerns raised by the College, the American Academy of Ophthalmology, and the American Medical Association, VA officials temporarily suspended these privileges while they reexamine the situation.

The College has joined a coalition of physician groups to support the Veterans Eye Treatment Safety (VETS) Act, H.R. 3473. This bill would prohibit nonphysicians from performing eye surgery within the VA health care system. The College believes the VA decision sets a dangerous precedent. Expanding the scope of practice for nonphysicians to perform surgery is a serious threat to patient safety. Surgeons can tell their elected representatives to cosponsor H.R. 3473 to protect veterans and other surgical patients by sending a letter through the federal Legislative Action Center at http://capwiz.com/facs/mail/oneclick_compose/?alertid=4521361.

On April 10, President Bush signed into law the Pension Funding Equity Act, H.R. 3108. Included in this legislation is a provision confirming that the National Resident Match Program does not violate antitrust laws. The new law applies to both pending and future lawsuits. Based on the legislation, the defendants in the national lawsuit have asked a federal judge to dismiss the case; that decision was pending at press time.