

# Dateline Washington

prepared by the Division of Advocacy and Health Policy

## **Congress requests more accurate payment calculations**

The College, together with the American Medical Association and other coalition partners, continues to educate Congress about the need to avoid the negative Medicare physician payment updates that are projected to occur between 2006 and 2012. As part of this campaign, the College organized a coalition effort that resulted in 242 representatives and 73 senators signing a letter to Centers for Medicare & Medicaid Services (CMS) Administrator Mark McClellan, MD, PhD, requesting a more accurate calculation of the Medicare physician reimbursement formula. The letters, championed by Sens. Jon Kyl (R-AZ) and Blanche L. Lincoln (D-AR), and by Reps. Philip M. Crane (R-IL) and Sherrod Brown (D-OH), address such issues as added program expenditures resulting from CMS coverage decisions and the need to remove the costs of physician-administered drugs from the payment formula. To view copies of the letters, please go to <http://www.facs.org/ahp/views/sgr.html>.

## **Grants available for hospital preparedness**

Department of Health and Human Services (HHS) Secretary Tommy Thompson recently announced the availability of \$498 million in state grants “to strengthen the ability of hospitals and other health care facilities to respond to bioterrorism attacks, infectious diseases, and natural disasters that may cause mass casualties.”

The fiscal year (FY) 2004 National Bioterrorism Hospital Program Continuation Guidance Document (<http://www.hrsa.gov/grants/preview/guidancedot/hrsa04biot.htm>) provides instructions on how to apply for those funds. One of the top priorities in the document is “Regional Surge Capacity for the Care of Adult and Pediatric Victims of Terrorism and Other Public Health Emergencies.” The requirements include a number of “critical” benchmarks, including trauma and burn care. Another critical benchmark identifies the need for surge capacity and calls for awardees to establish a system that “allows the triage, treatment, and initial stabilization of 500 adult and pediatric patients per 1 million population.”

Passed soon after the attacks of September 11, 2001, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (P.L. 107-188) includes language that allows these appropriated funds to be used “to develop and implement the trauma care and burn center care components of the State plans for the provision of emergency medical services.” Previously identified as an “optional” benchmark, trauma and burn care are now classified as Critical Benchmark #2-9 to “enhance statewide trauma and burn care capacity to be able to respond to a mass casualty incident.”

To date, HHS has invested more than \$3.7 billion in aid to states with bioterrorism and disaster preparedness. For more information and a list of each state’s FY 2004 award, go to <http://www.hhs.gov/news/press/2004pres/20040524.html>.

In related news, a recent report by the National Foundation for Trauma Care indicates that the nation’s trauma centers received little of the roughly \$1 billion in federal funding authorized for state bioterrorism preparedness in 2003. The report says only four states have given those funds directly to trauma centers and that most amounts were “meager.” It adds that the nation’s trauma centers are in finan-

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## **Additional Fellows appointed to IOM trauma study**

cial crisis and that up to 20 percent, or 120 of the facilities, could close within three years “without corrective action.” The report can be found at [http://www.traumacare.com/NFTC\\_CrisisReport\\_May04.pdf](http://www.traumacare.com/NFTC_CrisisReport_May04.pdf)

A. Brent Eastman, MD, FACS, a trauma surgeon from San Diego, CA, who is a former chair of the College’s Committee on Trauma and a current member of the Board of Regents, and Mary Fallat, MD, FACS, a pediatric surgeon from Louisville, KY, have been appointed to the expanded Institute of Medicine (IOM) study on the “Future of Emergency Care in the U.S. Health System.” Dr. Eastman will serve on the full committee, and Dr. Fallat will be a member of the Pediatric Emergency Care Subcommittee. C. William Schwab, MD, FACS, from the University of Pennsylvania Medical Center, was appointed to the full committee earlier this year.

This study will: (1) examine the emergency care system in the U.S.; (2) explore its strengths, limitations, and future challenges; (3) describe a desired vision of the emergency care system; and (4) recommend strategies to help achieve that vision. The committee requested the College’s insights and is expected to release its results within the next two years. For more information, visit <http://www.iom.edu/project.asp?id=20313>.

## **Task force to speed regulatory approval of new technologies**

HHS Secretary Thompson announced he is forming an internal task force to speed the availability of new medical technologies, such as drugs, biological products, and medical devices. The task force will include representation from the Centers for Disease Control and Prevention, CMS, the Food and Drug Administration, and the National Institutes of Health.

The group is seeking public comments (due by August 23, 2004) on how to stimulate innovation in medical technologies. A notice explaining the comment period was published in the May 24 *Federal Register* and may be accessed by going to: <http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2004/04-11612.htm>.

## **State liability reform encounters setbacks**

Medical liability reform continues to be a major focus of the state legislatures. Advocates for reform were disappointed when Iowa Gov. Tom Vilsack (D) vetoed legislation to cap noneconomic damages at \$250,000. The same was true for advocates in Missouri, where Governor Bob Holden (D) vetoed reform legislation that the General Assembly was unable to override. On a more positive note, Oklahoma Gov. Brad Henry (D) recently signed into law tort reform legislation that would place a \$300,000 cap on noneconomic damages in medical liability cases.

## **States could lose millions in federal Medicaid funding**

A recent report issued by the Children’s Defense Fund estimates that 36 states will lose at least \$100 million each in federal Medicaid funding in FY 2005 unless Congress acts to extend a temporary increase in the federal medical assistance percentage (FMAP), which is set to expire June 30. The CDF estimates the reduction in potential federal funding would range from \$10 million in Wyoming to more than \$1 billion in California and New York. The report can be found at [http://www.childrensdefense.org/childhealth/medicaid\\_match\\_rate.pdf](http://www.childrensdefense.org/childhealth/medicaid_match_rate.pdf)