

Dateline Washington

prepared by the Washington Office, Health Policy and Advocacy Department

President approves \$3 million for trauma systems

During the final days of the 106th Congress, President Clinton signed a law that earmarks \$3 million in fiscal year 2001 funding for the Trauma Care Systems Planning and Development Act. This program authorizes the Secretary of Health and Human Services (HHS) to award grants to states to assist them in planning, implementing, and monitoring statewide trauma care systems.

The College will be working with both the new Bush Administration and Congress to further the goals of the original trauma program, which was administered during the mid-1990s by the Health Resources and Services Administration's (HRSA's) Division of Trauma and Emergency Medical Services (DTEMS). For example, one immediate priority will be to assist the new HRSA administrator in establishing a timely plan for administering the program and for reviewing grant applications from states and other nonprofit agencies that are eligible for funds.

HHS issues final Stark II rules

On January 4, HHS published long-awaited final regulations pertaining to physician self-referrals. The so-called Stark II law, enacted in 1995, prohibits physicians from referring Medicare patients seeking certain health care services to entities with which the physicians or their immediate family members have a financial relationship. Expanding on the original 1989 Stark law prohibiting self-referrals to clinical labs, the regulations address referrals for physical and occupational therapy, radiology and radiology therapy, durable medical equipment, parenteral and enteral nutrition, prosthetics and orthotics, home health, inpatient and outpatient hospital services, and outpatient prescription drugs. The rule is scheduled to take effect on January 4, 2002.

In addition, the Bush Administration has placed a hold on this and other regulations until they can be reviewed. The impact of this action on implementing the rules had not yet been determined at press time.

Final regs issued on medical records confidentiality

HHS also issued final regulations on December 20 that establish national standards to ensure the confidentiality of patient medical records. These comprehensive regulations were first proposed in November 1999, as mandated by the Health Insurance Portability and Accountability Act of 1996. They are scheduled to become effective in two years and will apply to all physicians, hospitals, and health insurance plans. Notably, the new rule pertains to all types of medical records including electronic, paper, and oral communications.

HHS made some changes in the final rule based on the many comments it received on the original proposal. For example, the proposed rule would have required physicians and other health care providers to abide by a "minimum necessary standard" when send-

ing medical records as part of the process of referring a patient to another physician or provider. In its comments on the proposed rule, the College argued that physicians already limit disclosures to third parties to the minimum necessary; however, if insufficient information is exchanged in some of these situations, the outcome may be detrimental to the patients' welfare. In the final rule, HHS agreed and changed the requirements to exempt physicians and providers from the "minimum necessary standard" when they are sharing patient medical records with another physician or health care provider.

More information about this extensive regulation will be published in a future issue of the *Bulletin*.

President approves Medicare give-back legislation

On December 19, President Clinton signed into law the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000. The \$35 billion package provides increased Medicare funding for several provider groups and organizations, including hospitals, Medicare+ Choice plans, and nursing homes. Unfortunately, BIPA provides little relief for surgeons and many other specialists, who have been facing reduced Medicare payments due to the continued phase-in of resource-based practice expense relative values into the physician fee schedule. Provisions in BIPA that are of interest to surgeons call for: a General Accounting Office (GAO) study regarding how HCFA has accepted and used actual cost data in its development of the new practice expense values; a GAO study regarding the impact of the Emergency Medical Treatment and Labor Act (so-called anti-dumping) regulations on hospitals and physicians; and a two-year freeze on scheduled reductions in payments to teaching hospitals for indirect medical education costs.

ACS adds "Legislative Action Center" to Web site

Fellows have a new tool for contacting members of Congress on issues of concern to them—the Health Policy and Advocacy Department's "Legislative Action Center," which can be accessed online at <http://congress.nw.dc.us/facs/>. This service allows Fellows to find information about members of their state's congressional delegation and other legislators on Capitol Hill, key issues that the College is tracking in Congress, and the College's latest legislative alerts. This initiative is part of an ongoing effort to increase grassroots advocacy among the Fellowship. For more information, contact cgallagher@facs.org.