

OSR Focus on Legislative Affairs

A Resource for OSR Representatives

Volume 4 Issue 3 September 2008



Tomorrow's Doctors, Tomorrow's Cures

Concise updates on recent legislation. Additional information may be found on the AAMC's Government Affairs web site and online editions of Washington Highlights: www.aamc.org/advocacy/start.htm

The Higher Education Act Reauthorization - *Thure Caire*

Where's 20/220? The Higher Education Act (HEA) has been reauthorized without the 20/220 pathway. 20/220 remains intact until July 1, 2009 and students who qualify are eligible to remain in deferment until June 30, 2010. For students who graduate too late to qualify, the recently created Income-Based Repayment (IBR) program and forbearance will be available options. The income-based repayment program will be available for all residents, regardless of income or debt. The new program will require a minimum student loan payment capped at 15 percent of the borrower's monthly income that exceeds 150 percent of the applicable poverty line.

Although 20/220 was not in the HEA reauthorization which passed both Houses of Congress on July 31, many other programs to help manage higher education debt were added to the HEA--new loan forgiveness programs, expanded workforce shortage grants, higher Perkins loan limits, and increased Pell grant funding. In addition, the HEA will help regulate how college debt and loans are managed and increase transparency among lenders and financial aid offices.

Loan forgiveness programs: Major national advocacy groups predict a physician workforce shortage. Given that expected shortage, the definition of "public service" employment in the new Public Service Loan Forgiveness program was modified to expressly include "health care practitioner occupations and health support occupations." If you choose to work for ten years in public service, then your Direct Stafford student loans may be absolved. *Continued on page 2*

Medicare Physician Payment Update - *Kal Clark*

On July 15, the House and Senate overrode a presidential veto of the "Medicare Improvements for Patients and Providers Act of 2008" [P.L. 110-275]. The law reverses the 10.6 percent cut to the Medicare physician payment update (implemented July 1) by extending the January 1 increase (0.5 percent) through December 31, 2008. The law also establishes a 1.1 percent increase in the update for the calendar year (CY) 2009. The cost of the short-term physician payment relief was offset by reducing certain payments to Medicare Advantage (MA) managed care plans. An additional provision reduces co-payments for outpatient mental health services over six years.

The President vetoed the bill because of the MA cuts, which he argued would discourage health plan participation in the program, thereby limiting seniors' choices of health insurance. MA plans are approved and subsidized by Medicare to provide enrollees, who opt out of traditional Medicare, with a health insurance plan that has deductibles, out-of-pocket maximums, and benefits different from traditional Medicare. MA plans are controversial because Medicare reimburses them based on a competitive bid formula. This bid process has historically led to the MA plans receiving a per capita amount above the average amount spent per traditional Medicare beneficiary. The MA plans counter that the increased payments allow them to provide additional services and lower deductibles.

Under P.L. 110-275, CMS must calculate the physician payment updates for CY 2010 and beyond as if the CY 2008 and CY 2009 cuts were implemented (i.e. physicians face a projected 21 percent reduction in the CY 2010 Medicare update).

Regulating Research and Open Communication: The AAMC Weighs in - *Eric Meyer*

After the crippling use of anthrax in the terrorist attacks of 2001, the federal government refocused on possible threats to the public from misuse of biomedical research and materials. Part of the federal response was the establishment of the National Science Advisory Board for Bio-security (NSABB) in 2003. NSABB was chartered to develop a framework to responsibly monitor research that could be misused for ulterior purposes, otherwise known as "dual-use" research. An initial NSABB report outlined the criteria for identifying dual use research of concern as that which could:

- Enhance the harmful consequences of a biological agent or toxin
- Disrupt immunity or the effectiveness of an immunization without clinical and/or agricultural justification
- Confer to a biological agent or toxin, resistance to clinically and/or agriculturally useful prophylactic or therapeutic interventions against that agent or toxin or facilitate their ability to evade detection methodologies
- Increase the stability, transmissibility, or the ability to disseminate a biological agent or toxin
- Alter the host range or tropism of a biological agent or toxin
- Enhance the susceptibility of a host population
- Generate a novel pathogenic agent or toxin or reconstitute an eradicated or extinct biological agent

The NSABB remains acutely aware of the balance that must be found between regulation and freedom in these fields of research since open communication is critical for progress. *Continued on page 2*

Brief Updates

AAMC Urges House to Increase NHSC Authorization

AAMC President and CEO, Darrell Kirch, sent a letter on August 7 to Congress in support of a \$300 million National Health Service Corps (NHSC) authorization in the upcoming conference of the "Health Care Safety Net Act of 2008." While the Senate bill incrementally increases the NHSC authorization level from \$131.5 million in FY 2008 to \$185.6 million in FY 2012, the House companion measure does not include the NHSC reauthorization provision. The letter notes, "In the past 5 years, funding for the NHSC has been cut by \$47 million, a 27 percent reduction from the \$171 million FY 2003 budget that was already insufficient to meet the nation's needs." The NHSC provides scholarships and loan repayment for health care providers who deliver primary care services to adults and children in underserved communities.

Senators Introduce Comparative Effectiveness Legislation

Senate Finance Committee Chair Max Baucus (D-Mont.) and Senate Budget Committee Chair Kent Conrad (D-N.D.) July 31 introduced the "Comparative Effectiveness Research Act of 2008" ([S. 3408](#)),

Continued on page 2

Research *continued*

The report goes so far as to point out that too much regulation would grossly inhibit research in key areas of biological protection, increasing our nation's risk. As such, the NSABB calls for the scientific community to take the lead in making biological research more secure, referencing previous success with the controls placed on genetic research.

In 2007, the NSABB transmitted to the Federal Government a document generally describing a framework for oversight of dual-use research. In 2008, the Department of Health and Human Services held a meeting to receive public comments on the oversight framework. The AAMC teamed with the five other groups of higher education associations advising that the oversight proposal not be adopted at this time, but be returned to NSABB for fuller development in consultation with research organizations. The group outlined concerns, offered assistance and promoted streamlining some of the processes. Some highlights from the group's comments are listed:

- A call to provide outreach to the scientific community before an oversight system is put in place
- A warning that the increased burden of implementing the policies and practices as described in the framework will primarily fall on under supported institutions of learning
- Ideas on how to improve the mechanism for identifying dual-use research so that it does not over or under identify research, as both scenarios would fail to meet the goals of the framework
- A call for assurance that the framework does not promote the control of information deemed critical retroactive to an event
- Support of the National Security Decision Directive 189 ([NSDD 189](#)) that defines sensitive research as unique by its status as classified, thus removing the need for another definition

With the recent events involving the possible involvement of a government employed investigator in the 2001 anthrax attacks, the importance of bio-security issues and further proposals for federal oversight of research, and the balance that the AAMC hopes to secure, will remain paramount in the progress of biomedical science. To start a discussion on this topic, please login into osr.blackboard.org and post your comments under the legislative affairs section.

To read these documents in full, please visit the following sites:

NSABB Proposed Framework for the Oversight of Dual Use Life Sciences Research: www.biosecurityboard.gov/Framework%20for%20transmittal%200807_Sept07.pdf

AAMC Letter to NSABB Director: www.aamc.org/advocacy/library/research/corres/2008/071508.pdf

Updates *continued*

which according to its sponsors, would mark a first step in "making our health care system smarter and more effective." The bill establishes the Health Care Comparative Effectiveness Research Institute, a private, non-profit corporation that would identify and carry out priority, peer-reviewed research projects evaluating the clinical effectiveness of medical treatments, services, and other preventive or diagnostic tools and processes. The bill has been referred to the Finance Committee. Additional information can be found in the [summary](#) prepared by Senate staff.

AAMC Submits Language to Democratic Platform

In a July 31 letter to the chairs of the Democratic Party Platform Committee, AAMC President and CEO Darrell G. Kirch, M.D., asked the committee to consider including language noting the "enormous contributions" made by medical schools and teaching hospitals "to the nation's health and well being by educating a diverse workforce of future physicians and biomedical scientists; promoting discovery and innovation through biomedical, behavioral, and health services research; applying new knowledge to alleviate suffering, rehabilitate injury, and prevent disease and premature death; and fulfilling this nation's obligation to provide health care to its poorest and sickest members." The [letter](#) is publicly available, and a similar letter will be submitted to the Republican National Committee.

Reauthorization *continued*

Workforce Shortage Grants: The HEA reauthorization also created a new loan forgiveness program for "public sector employees" and "medical specialists" for service in areas of national need. If you choose to work in an area of national need, you may be eligible for \$10,000 in loan forgiveness over five years. Public sector employment includes "full-time professionals engaged in health care practitioner occupations and health care support occupations." Medical specialists are defined as residents who have been accepted to, or currently participate in, an ACGME-accredited graduate medical education training program or fellowship that requires more than five years of total graduate medical training and has fewer U.S. medical school graduate applicants nationwide than the total number of positions available. Participants are not allowed to qualify for both the public service and areas of national need loan forgiveness programs.

Perkins Loan Limits: The Perkins loan program (a need-based, low interest loan program) was reauthorized through 2015 at \$300 million, which represents a 20 percent increase over the current level. The annual limit for medical students was increased from \$6,000 to \$8,000 and the total loan limit was increased from \$40,000 to \$60,000.

OSR Legislative Affairs Committee

National Delegate: Bryan Harris, bryan.d.harris@gmail.com

Regional Delegates:

Central: Kal Clark, kalclark@gmail.com

Northeast: Eric Meyer, s10emeyer@usuhs.mil

South: Thure Caire, mcaire@health.usf.edu

West: Ryan Padrez, ryan.padrez@ucsf.edu

OSR Physician Policymaker Interview Series:

www.aamc.org/members/osr/communications/legislative_affairs/interviewseries.htm

OSR Legislative Resources: www.aamc.org/members/osr/communications/legislative_affairs/hphs_resources.htm

OSR Staff

Ally Anderson

Manager, Student and Community Service Programs
aanderson@aamc.org 202-828-0682

Denine Hales

Administrative Specialist
dhailes@aamc.org 202-828-0681

Julie Taylor

Senior Administrative Associate
jtaylor@aamc.org 202-478-9922

www.aamc.org/members/osr