Overview of Discretionary Programs in Health Care Reform

Patient Protection and Affordable Care Act (as amended by the Health Care and Education Reconciliation Act of 2010)

Tannaz Rasouli
Senior Legislative Analyst
trasouli@aamc.org

Matthew Shick
Senior Legislative Analyst
mshick@aamc.org
Summaries and Other Resources

www.aamc.org/reform
Agenda for Today’s Call

Today’s call will review discretionary provisions in the health reform law that address:

- Health and health care disparities
- Public health
- HRSA’s Title VII health professions education and training programs
- Other discretionary workforce programs and initiatives
- Medical education debt
Themes to Keep in Mind ...

• Discretionary versus mandatory spending
• Funding authorization versus appropriation
• Fiscal environment
Approach to Disparities

PPACA aims to integrate strategies to mitigate disparities throughout the legislation:

• Increase access to coverage
• Improve access to services
• Strengthen diversity of health care workforce
• Emphasize prevention and wellness
• Study and understand health disparities
Minority Health

Sec. 10334 of the legislation:

- Transfers the HHS Office of Minority Health to the Office of the Secretary
  - Develop measures to evaluate effectiveness of activities to reduce health disparities and support the local community
  - HHS agency heads must submit annual report summarizing minority health activities

- Establishes individual Offices of Minority Health in each of HHS agencies

- Re-designates NIH National Center for Minority Health and Health Disparities as an Institute
**Women’s Health**

**Sec. 3509 of the legislation:**

- Establishes an Office of Women’s Health within the HHS Office of the Secretary that will:
  - Establish short- and long-range goals
  - Advise the Secretary
  - Establish an HHS Coordinating Committee
  - Establish a National Women’s Health Information Center

- Establishes individual offices throughout HHS with directors that report to the agency head
Health Disparities Data Collection

Sec. 4302 requires the Secretary within two years to ensure that any federally conducted or supported health care or public health program, activity or survey collects and reports:

- Data on race, ethnicity, sex, primary language, and disability status
- Geographic data at smallest level (state, local, institutional) if such data can be aggregated
- Sufficient data to generate statistically reliable estimates by subgroups
- Other demographic data deemed appropriate by the Secretary
Health Disparities Data Collection (cont’d)

The Secretary should:

- Use OMB standards at a minimum for race and ethnicity measures and develop standards for measurement of sex, primary language, and disability status
- Survey health care providers to identify
  - Locations where individuals with disabilities access care;
  - Number of providers with accessible facilities and equipment to meet the needs of individuals with disabilities;
  - Number of employees trained in disability awareness/patient care.
- Require that quality measurement reporting includes data collection by race, ethnicity, sex, primary language, and disability status
- Make analyses available to the OMH, NCMHD, other HHS agencies, and the public.
Grants to Promote the Community Health Workforce

Sec. 5313 authorizes grants through CDC to support community health workers.

- Eligible entities include hospitals, FQHCs, and other public or nonprofit entities. The Secretary should encourage—but not require—collaborations with academic institutions and “one-stop delivery systems.”
- Funds should be used to educate, guide, and provide outreach regarding health problems prevalent in underserved communities (especially among racial and ethnic minorities), effective strategies to promote positive behaviors, and enrollment in health insurance.
- Secretary should establish and monitor compliance with guidelines to assure quality of training and supervision of community health workers funded through the program and cost-effectiveness of the program.

The law authorizes such sums as necessary for each of FYs 2010-2014.
Sec. 4001 directs the President to establish the Council within HHS, chaired by the Surgeon General, with participation of at least 12 specified Federal representatives. The Council will

- Develop within one year of enactment a national prevention, health promotion, public health, and integrative health care strategy with:
  - Goals for improving health
  - Specific and measurable actions and timelines
  - Recommendations to improve Federal efforts.
- Recommend to the President and Congress the most pressing health issues and changes in Federal policy.
- Issue reports annually through January 1, 2015
Prevention and Public Health Fund

Sec. 4002 establishes the Fund, through HHS, to increase funding over FY 2008 levels for PHSA, prevention, wellness, and public health activities and programs.

- Specified examples include: prevention research and health screenings, such as the Community Transformation grant program, the Education and Outreach Campaign for Preventive Benefits, and immunization programs.

- The law appropriates to the Fund:
  - For FY 2010, $500 million
  - For FY 2011, $750 million
  - For FY 2012, $1.0 billion
  - For FY 2013, $1.25 billion
  - For FY 2014, $1.5 billion
  - For FY 2015 and each fiscal year thereafter, $2.0 billion
Clinical and Community Services Task Forces

Sec. 4003 establishes two independent task forces that should coordinate their work:

• A Preventive Services Task Force through AHRQ to develop recommendations for the clinical health care community on the effectiveness, appropriateness, and cost-effectiveness of preventive services.

• A Community Preventive Services Task Force through CDC to develop recommendations on community preventive interventions (including policies, programs, processes, or activities designed to affect or otherwise affecting health at the population level).
TITLE VII HEALTH PROFESSIONS PROGRAMS
Health Professions Programs under Title VII of the PHSA

PPACA updates and reauthorizes grant programs through HRSA supporting education and training activities designed to strengthen:

- Workforce supply, including primary care and interdisciplinary activities
- Workforce distribution, including training opportunities in rural and underserved settings
- Workforce diversity, including recruitment, retention, and faculty development

Congress will need to fund the new programs authorized in the legislation.
Title VII Diversity Programs

Sec. 5401 and 5402 reauthorize the Title VII diversity programs, including:

- **Centers of Excellence**
  - $50 million authorized for each of FYs 2010-2015, and such sums in subsequent years
  - Formula for funding allocations updated

- **Health Careers Opportunity Program**
  - $60 million authorized for FY 2010 and such sums for each of FYs 2011-2014

- **Scholarships for Disadvantaged Students**
  - $51 million authorized for FY 2010 and such sums for each of FYs 2011-2014

- **Faculty Loan Repayment Program**
  - $5 million authorized for each of FYs 2010-2014
  - Maximum award increased from $20,000 to $30,000
Cultural Competency, Prevention & Public Health, and Individuals with Disabilities Training

Sec. 5307 amends a previously unfunded program and directs the Secretary to support the development, evaluation, and dissemination of research, demonstration projects, and model health professions curricula for:

- Cultural competency
- Prevention
- Public health proficiency
- Reducing health disparities
- Aptitude for working with individuals with disabilities.

The Secretary should evaluate adoption & implementation of curricula and “facilitate inclusion of these competency measures in quality measurement systems as appropriate.”

The law authorizes such sums for each of FYs 2010-2015.
Title VII Primary Care Programs

PPACA updates the primary care training programs under Section 747 of the PHSA:

• Medicine and dentistry programs authorized distinctly
• Payments for five years
• No ratable reduction
• Additional funding preferences and funding activities

Eligible entities still include accredited public or nonprofit private hospitals, medical schools, or other public or private nonprofit entities, or affiliated physician assistant training programs.
Title VII Primary Care Programs

Sec. 5301 authorizes grants to eligible entities for primary care training activities:

- Accredited residency or internship program in family medicine, general internal medicine, or general pediatrics
- Traineeships/fellowships for medical students, interns, residents, or practicing physicians who plan to specialize in/work in FM, GIM, GP
- Programs to train physicians who plan to teach in FM, GIM, GP
- Traineeships/fellowships for physicians planning to teach or conduct research in a FM, GIM, GP training program
- Physician Assistant education programs
- Programs for training physicians teaching in community-based settings
- Provide training in new competencies recommended by ACTPCMD (including patient-centered medical homes)
- Joint-degree programs providing interdisciplinary, interprofessional graduate training in public health and other health professions
Title VII Primary Care Programs

The legislation also authorizes five year “capacity building” grants to medical schools to:

- Establish, maintain, or improve academic units or programs that improve clinical teaching and research in family medicine, general internal medicine, or general pediatrics; or

- Programs that integrate academic administrative units (AAU) in such fields to enhance interdisciplinary recruitment, training, and faculty development.

Preference will go to applicants establishing or expanding units/programs in family medicine, general internal medicine, or general pediatrics.
Priority for awards will go to applicants that:

- Propose a collaborative project between AAUs of primary care.
- Propose innovative approaches to clinical teaching using models of primary care.
- Have a record of training the greatest percentages or demonstrate improvement in percentages of providers entering and remaining in primary care.
- Have a record of training individuals from underrepresented minority groups or rural or disadvantaged backgrounds.
- Provide training on caring for vulnerable populations
- Establish formal relationships and submit joint applications with federally qualified health centers, rural health clinics, AHECs, or clinics in underserved areas or serving underserved populations.
- Teach trainees skills to provide interprofessional, integrated care
- Provide training in competencies recommended by ACTPCMD and the workforce commission
- Provide training in cultural competency and health literacy.
Title VII Primary Care Programs

The legislation authorizes:

• $125 million in FY 2010 (and such sums in FYs 2011-2014), with 15 percent reserved for PA training programs
• $750,000 in each of FYs 2010-2014 for integrating AAUs
Teaching Health Center Grants

Sec. 5508 establishes a new Title VII grant program to develop “teaching health centers” (THCs).

- Secretary may award 3-year grants of up to $500,000 for establishing new accredited or expanded “primary care residency programs” (family medicine, internal medicine, pediatrics, internal medicine-pediatrics, obstetrics and gynecology, psychiatry, general and pediatric dentistry, and geriatrics)

- A THC is defined as an entity that:
  - Is a community-based, ambulatory patient care center; and
  - Operates a primary care residency program.

- Potential grantees include FQHCs, community mental health centers, rural health clinics, Indian Health Service health centers, and Title X family planning programs
Teaching Health Center Grants

Grants may be used to establish or expand the residency training program, including costs associated with:

- Curriculum development;
- Recruitment, training, and retention of residents and faculty;
- Accreditation;
- Faculty salaries during the development phase.

The legislation authorizes $25 million for FY 2010 and $50 million for each of FYs 2011-2012, and such sums thereafter.
Teaching Health Center Payments

The law also establishes a program under Title III of the Public Health Service Act to provide payments to qualified “teaching health centers” for expansion or establishment of new approved graduate medical residency training programs.

The legislation appropriates such sums as necessary up to $230 million for the period of FYs 2011-2015.
Rural Physician Training Grants

Sec. 10501(l) establishes a new grant program for accredited medical schools to establish, improve, or expand “rural-focused” training programs.

- Programs should enroll at least 10 students with admission priority for students from/expressing a commitment to practicing in an “underserved community”
- Didactic coursework and clinical experiences should include clinical rotations in underserved rural communities and applicable specialties
- Programs should assist students in obtaining clinical training experiences in locations with residency training opportunities in underserved rural communities.

Funding authorized at $4 million for each of FYs 2010-2013.
Area Health Education Center (AHEC) Program

Sec. 5403 reauthorizes the AHEC program:

Eligible entities include schools of medicine or the parent institutions (or for states with no AHEC, schools of nursing).

Grants should be used to:

• Recruit individuals from underrepresented, disadvantaged, or rural backgrounds into the health professions;
• Foster community-based field placements or preceptorships;
• Conduct interdisciplinary training involving an array of health professionals;
• Deliver or facilitate continuing education
• Propose and implement outcomes measurement and evaluation strategies
• Establish a youth public health program to recruit high school students into health careers (with a focus on public health careers)

Grantees may also use awards for other “innovative opportunities”
AHEC Program (cont’d)

10 percent of clinical education required for medical students should occur in community settings removed from the primary teaching facility.

Each AHEC program should include at least one AHEC that:

• Is independent from the awardee;
• Is not a medical school or its parent institution;
• Designates a unique underserved area/population removed from the participating teaching facilities’ main location;
• Fosters networking and collaboration between academic health centers and community-based centers;
• Serves communities in partnership with AMCs and in coordination with the public health workforce investment system
• Has a community-based governing board

Funding authorized at $125 million for FYs 2010-2014
Continuing Educational Support

Sec. 5403 also authorizes a new grant program for health professions schools, academic health centers, and others to support activities to:

- Improve health care
- Increase retention
- Increase representation of minority faculty members
- Enhance the practice environment
- Provide information dissemination and educational support to reduce professional isolation

Funding authorized at $5 million for each of FYs 2010-2014.
Geriatric Education Training

Sec. 5305 expands the program to:

- Award grants to GECs to develop CME-satisfying “fellowships” on geriatrics, chronic care management, and long-term care, for faculty; and to either (a) offer family caregiver and direct care provider training, or (b) incorporate mental health best practices into all training courses. ($10.8 million authorized for the period of FYs 2011-2014.)

- Establish Geriatric Career Incentive Awards for non-physician health care providers pursuing a degree in geriatrics or related fields. ($10 million authorized for the period of FYs 2011-2013.)

- Expand eligibility for Geriatric Academic Career Awards beyond physicians to include dentistry and all health professions disciplines approved by the Secretary, who will make payments to the institutions.
Preventive Medicine Residencies

Sec. 10501(m) reauthorizes the preventive medicine and public health training grant programs.

The law extends eligibility beyond schools of medicine and public health to public or private nonprofit hospitals and other entities.

Grantees may use funds:

- For accredited residency or internship programs in preventive medicine or public health;
- To defray costs of a program’s required practicum experiences;
- For academic administrative units or programs that improve clinical teaching in preventive medicine and public health.

The Funding authorized at $43 million (for the public health and preventive medicine programs under Title VII) with no more than 30 percent reserved for public health traineeships.
Pediatric Subspecialists

Sec. 5203 establishes a loan repayment program for health professionals in pediatric medical subspecialties, pediatric surgical specialties, or child and adolescent mental & behavioral health.

Eligible individuals must agree to two years of service and to work in a HPSA, medically underserved area, or to serve a medically underserved population.

Priority given to applicants that:

• Will work in a school setting;
• Have familiarity with evidence-based methods and cultural and linguistic competence health care services; and
• Demonstrate financial need.

Funding authorized at $30 million for each of FYs 2010-2014 for pediatric medical and surgical subspecialists, and $20 million for each of FYs 2010-2013 for mental and behavioral health professionals.
Health Care Workforce Program Assessment

Sec. 5103 establishes a National Center for Health Workforce Analysis and authorizes State and Regional Centers for Health Workforce Analysis

The National Center will

- Evaluate and develop benchmarks for Title VII programs and
- Establish and maintain a public registry of Title VII grants and a database that compiles data from longitudinal evaluations.

The Secretary can increase the amount of a Title VII grant to establish/maintain longitudinal evaluation of participants (with preference for grant applications that utilize).

Funding authorized at $7.5 million for each of FYs 2010-2014 for the National Center; $4.5 million for State and Regional centers; and such sums as necessary for the longitudinal evaluation grants.
HRSA Advisory Committees

Sec. 5103 also adds responsibilities for the HRSA advisory committees, including:

Advisory Committee on Training in Primary Care Medicine and Dentistry (ACTPCMD)

Advisory Committee on Interdisciplinary, Community-Based Linkages (ACICBL)

Council on Graduate Medical Education (COGME)

The committees are directed to:

• Develop, publish and implement performance measures for Title VII programs;
• Develop and publish guidelines for longitudinal evaluations; and
• Recommend appropriations levels for Title VII programs.
ADDITIONAL WORKFORCE PROGRAMS
National Health Care Workforce Commission (§5101)

Composition:

• 15 individuals representing broad range of stakeholders
• Majority should not be directly involved in health professions education or practice

Duties:

• Submit annual reports to Congress and Administration on:
  • Required topics – by October 1, 2011
  • At least one specified “high priority area” of choice – by April 1, 2011
• Oversee State Health Care Workforce Development Grants
Workforce Commission (cont’d)

Annual reports must review:

• Current workforce supply, distribution, and projected demands

• Health care workforce education and training capacity and projected demands

• Title VII & VIII loan and grant programs

• Implications of new and existing Federal policies affecting the health workforce (including GME, Titles VII & VIII, NHSC) with recommendations to align with national workforce goals

• Workforce needs of special populations

• Recommendations for loan repayment/scholarship programs for low-income minority students to serve in their home communities (if underserved)
“High Priority Areas” include:

- Integrated health care workforce planning
- Analysis of nature, scopes of practice, and demands for health professionals in enhanced IT and management workplace
- Analysis of how to align Medicare and Medicaid GME policies with national workforce goals
- Education and training capacity, projected demands, and integration with the delivery system for:
  - Nursing
  - Oral health
  - Mental and behavioral health
  - Allied and public health
  - Emergency medical service (including volunteer workforce)
  - Geographic distribution of providers compared to identified State and regional workforce needs
State Workforce Development Grants

Sec. 5102 authorizes the Secretary to establish a competitive grant program that will be administered by HRSA.

- One year planning grants of up to $150,000 (with 15% match) awarded to state workforce investment boards to analyze state labor markets, identify high-demand sectors, identify existing recruitment/retention resources, describe academic and industry standards, describe education and training policies, and identify barriers.

- Eligible awardees will receive two-year implementation grants (with a 25% match) to implement activities resulting in a comprehensive workforce development plan for the state.

Authorized at $8 million in FY 2010 for planning grants, and $150 million in FY 2010 for implementation grants, with such sums subsequently.
Primary Care Extension Program

Sec. 5405 authorizes the program to award grants through AHRQ to states to support and assist primary care providers.*

* For this section, “primary care provider” is defined as “a clinician who provides integrated accessible health care services and who is accountable for addressing a large majority of personal health needs, including providing preventive and health promotion services for men, women, and children of all ages, developing a sustained partnership with patients, and practicing in the context of family and community, as recognized by a State licensing or regulatory authority, unless otherwise specified in this section.”

The legislation authorizes $120 million for each of FYs 2011 and 2012 and such sums for each of FYs 2013-2014. Funds should not be used for direct patient care.
The Secretary is directed to award

- 2-year planning grants to states to establish “Primary Care Extension Program State Hubs” and
- 6-year program grants to implement the Hubs

At minimum, Hubs should include:

- Primary care departments of one or more health professions schools in the state;
- The state health department; and
- The state-level entities responsible for administering Medicaid and Medicare programs.

Hubs may also include:

- Hospital associations and State primary care associations
- Primary care practice-based research networks
- Health professional societies
- State licensing boards
- Consumer groups
Activities of the Hub include:

- Submitting a plan to coordinate functions with quality improvement organizations and AHECs
- Contract with and administer grant funds to county- or local- level entities that serve as the “Primary Care Extension Agency”
- Organize State-wide or multistate networks of local-level Agencies to share and disseminate information and practices

Agencies will:

- Assist primary care providers in implementing a patient-centered medical home
- Develop and support primary care learning communities
- Participate in national network of Hubs
- Develop a plan for financial sustainability after 6-year period
- Conduct other discretionary activities (technical assistance for community health teams, data collection, etc.)
Sec. 5315 creates the Track, to be administered by the Surgeon General, organized to graduate annually at least 150 medical students, and specified numbers of dental, nursing, public health, behavioral and mental health professional, physician assistant or nurse practitioner, and pharmacy students.

- Located at accredited, affiliated health professions education training programs at academic health centers
- Students at the Track:
  - Will be selected based on procedures prescribed by the Surgeon General (with priority for applicants from rural communities and underrepresented minorities)
  - Receive tuition/remission and a stipend for each school year (determined by the Surgeon General)
  - Must complete a residency/internship in a specialty determined by the Surgeon General
  - Must serve within the Commissioned Corps for 2 years for each year enrolled at the Track
Public Health Sciences Track (cont’d)

The Surgeon General should obtain services of (and may confer academic titles upon) professors, instructors, and administrative employees to operate the Track.

• Salary schedules and benefits will be determined by the Secretary on a comparable basis with employees of accredited health professions schools

Educational programs include postdoctoral, postgraduate, and technological programs or a cooperative program for medical and other health professions students.

The Surgeon General should establish continuing education programs for health professionals and develop an integrated longitudinal plan for continuing education that emphasizes patient centered, interdisciplinary, and care coordination skills throughout the continuum of health-related education, training, and practice.
Public Health Sciences Track (cont’d)

Clinical experiences should include experience with deployment of emergency response teams, and highly qualified Track faculty, students, and graduates may be appointed to elite Federal disaster preparedness teams, if they meet certain pre-determined criteria.

The law directs the Secretary to transfer from the Public Health and Social Services Emergency Fund such sums as may be necessary to carry out the Track, beginning in FY 2010.

The Secretary may develop the Track in phases.
HPSA Designation Methodology

Health Professions Student Areas (HPSAs) and Medically Underserved Populations (MUPs) affect:

- Title VII and Title VIII training programs
- National Health Service Corps (NHSC)
- Medicare HPSA physician bonus
- Rural Health Clinics
- Visa waiver programs
- GME residency slot redistribution

HRSA Negotiated Rulemaking

- May 11 Federal Register Notice of Establishment
- 30-day comment period and 30-day appointment period
- Approximately 6 monthly meetings (~2011 completion)
- Likely based on 2008 proposed rule
National Health Service Corps

Funding
• Authorizes funding up to $1.15B in FY2015
• New CHC Fund with dedicated funding for NHSC up to $310M in FY2015

Benefits
• Allows for half-time service by increasing service length or decreasing award amount
• Teaching can count for up to 20% of the NHSC service obligation
• Increases the annual maximum award from $35,000 to $50,000
• Excludes loan repayments for HPSA-targeted programs from federal and state taxable income
Health Professions Student Loans

Revisions the Title VII Primary Care Loan (PCL)

- New 10-year maximum primary care service length
- Decreases total non-compliance interest rate from 18% to 7%
- Exempts “independent students” from parental income information requirements
- Sense of the Congress – no rescissions

HRSA Implementation

- Changes apply ONLY to PCL (not HPSL, LDS, NSL)
- Effective on loans after March 23, 2010 (enactment)
- New Promissory Note issued May 5
- Independent student - 24 years old AND 3 years not listed as dependent for tax purposes
Student Loans and Repayment

Student Loan Reform in Reconciliation

- Decreases the monthly student loan payment formula under the **Income-Based Repayment** program from 15% to 10% of “discretionary” income (July 2014)
- Restructures federal student loans, originating all new loans under the **Direct Loan Program** (July 2010)
  - Loans with a disbursement before July 1, 2010 will continue as FFEL
  - Department of Education Funding - $50 million to help schools transition
  - Department of Education **Webinars**
Additional Health Care Reform Information

Available on AAMC’s website at:
www.aamc.org/reform
Replay Information

A replay of today’s call will be available for 7 days
Replay dial in: 888-203-1112
Pass code: 5897477
Upcoming Call

**Topic:** Demonstration Projects and the CMS Innovation Center

**Date:** May 13, 2-3:30pm EDT