Dean's Corner e-Newsletter
March 10, 2003

I have just returned from the American Academy of Pain Medicine's annual meeting in New Orleans (pre-Mardi Gras), where I completed my one year term as President. The conference was well attended, with more than 850 physicians and other professionals. Our keynote speaker was Jerry Lewis, who spoke on Laughter, Pain, and Healing. He described his experience as a chronic pain patient, and vowed to put the same energy behind this cause, as he had with Muscular Dystrophy. I invited him to visit our campus, and if his health holds out he did express interest in visiting with us.

Now more importantly, we had an extremely successful Cultural Awareness Week program last week that culminated in the Talent Show last Friday. This was a very impressive effort by all who participated. But special thanks go out to the hard working student organizers: Janice Thomas, MS II; Diana Kharbet, MSII; Melinda Wenner, MSII; Cedric Pratt, MSI; Tina Phillips, MSI; and Hayhre Hardeep, MSI.

Also, this week the Fort Worth Magazine has come out with their report on the Best Physicians in Tarrant County. I am proud to report that 17 of the physicians are our faculty. This recognition brings accolades upon our entire institution. Congratulations to: Dr. Frederick Schaller, Internal Medicine; Dr. Martin Weiss, Internal Medicine; Dr. Stephen Weis, Internal Medicine; Dr. Patrick Trinkle, Internal Medicine; Dr. Monte Troutman, Internal Medicine; Dr. Janice Knebl, Internal Medicine; Dr. Charles Maxvill, Internal Medicine; Dr. Steve Buchanan, OB/GYN; Dr. John Chapman, OB/GYN; Dr. Francis Blais, Internal Medicine; Dr. Michael Clearfield, Internal Medicine; Dr. David Brickey, Internal Medicine; Dr. Alan Stockard, Family Medicine; Dr. Adam Smith, Surgery; Dr. Don Peska, Surgery; Dr. John Fling, Pediatrics; and Dr. Phillip Saperstein, Family Medicine.

Please supply any pertinent information to my office (deantcom@hsc.unt.edu) by the first Thursday of the month, for inclusion in this Newsletter.

Clinical Affairs / Faculty Practice: (Dr. Adams)

Associate Dean for Clinical Affairs/Chief Medical Officer

Certainly, these are uncertain times in many areas of our lives. Our involvement in the healthcare profession accentuates the uncertainty in the many areas that affect our practice. As has been announced in several forums, Medicare has rescinded the proposed cut that was to have occurred this month, and, in turn, provided a small increase in their reimbursement scheme. Specific information about this increase and how it will affect our practice is not yet available. This change in Medicare is a positive development for us now with significant implications for the future. Malpractice reform is receiving political support at both the state and national levels. Both the president and governor have indicated strong support for reform so it appears this will occur this year in some form. As the devil is in the details, watch closely to see what the final legislation looks like.

The clinical practice at UNTHSC continues to face significant financial challenges. The correction of a midyear deficit is receiving close attention and plans are being implemented to reverse the position by year end. The current state budget situation and the reductions in state money for this year will make this more difficult. The financial pressures of healthcare create an environment that will require each of you to look for opportunities to be more efficient and cost effective. Controlling costs is paramount to our success and is receiving close scrutiny. However, costs are only one side of the equation. Look for opportunities to be more productive, such as improved documentation and coding or adding an additional appointment to each clinic schedule. Effort to do the little things can have an enormously positive impact.

Additionally, there continues to be significant discussions with several potential partners that could impact the clinical practice as well as the academics. Several discussions have occurred with the VA and there may be real opportunities with clinical impact in the near future. Many of you know that we are already participating with the VA in their CBOC program and by providing physical exams. Opportunities to collaborate with JPS in the development of a Northside Community Health Center and the establishment of a Cardiology service line on the JPS campus are also moving forward. Cook's Children's Hospital has been active participants with the HSC in discussing their needs for clinical and research services. All of these discussions have implications for the clinical practice. Exploring these opportunities will lead to activities that help us carry out our mission and provide the basis for needed community relationships.

Thanks to everyone for their hard work and commitment. We are continuing to prepare for the challenges ahead while dealing with those that are already upon us. As a team seeking solutions together, we will be successful.

Academic Affairs/Graduate Medical Education: (Dr. Blackwell)

Associate Dean for Academic Affairs

This last week I had the honor of attending the AOA Board of Trustees meeting in Florida. At this meeting, the NBOME gave an update regarding their plans for the future. Essential to this update was the following:

COMLEX-CE: Computerized examinations are well underway with an expected date of 2005 for implementation.

NBOME Research The NBOME continues to be actively involved in research to study the validation of COMLEX and COMLEX PE.

Common Medical Licensure System: The NBOME continues to work with the NBME and Federation of State Medical Boards on a common licensure system. This examination could be taken in lieu of COMLEX III.

Comprehensive Osteopathic Medical Achievement Tests: This is a process to upgrade and revise the NBOME shelf examinations. These new exams will be in the COMLEX format and can be used for board preparation.

COMLEX PE: Both the NBOME and the NBME plan to release this exam in 2004. Much work is being done by the NBOME to combine resources with the NBME to reduce costs and increase testing sites. Validity studies for this exam will be published in the upcoming editions of the JAOA.

The Office of the Dean, TCOM, and Office of Evaluation services is arranging for a visit from the NBOME to TCOM. Dr. Meoli, President of NBOME, will visit our campus to meet with students, faculty, and deans.

Clinical Research: (Dr. Clearfield)

Associate Dean for Clinical Research

With research appreciation day just a month away make sure you stop by to see the 20 posters being presented by the clinical faculty. Family medicine wins the most prolific award by having 8 posters being presented by seven different faculty. Way to go! Also being represented at RAD are the departments of pathology, physician assistant program, internal medicine, OMM, surgery and geriatrics. I want to congratulate all those who are presenting at RAD and I know you will all support these efforts by your attendance.

Clinical trials continues to grow with three new coordinators one each in OMM, surgery and medicine. If you are interested in participating in a clinical trial or would like to be a co-investigator please let me know so we can assist you in your area of interest.

Student Affairs: (Dr. Forman and Ms. Graham)

The Office of Student Affairs was involved in disseminating information regarding planned changes in Student Fees to the entire HSC student body. The proposed fees reflect the reduction in state funding and the need of the HSC to maintain or improve the quality of the education and services provided to our students. As required, the proposed fees were presented to the student body for their vote and a majority voted to approve them. This assures that the funds will be used for the purposes intended and allows the fees to be incorporated into any financial aid package requested by students. Some of the services will greatly increase and improve the services provided. For example, the increase in the Student Health Fee will provide a 24/7 confidential counseling service available locally and proactively address issues of test taking anxiety, depression, and a variety of problems that students frequently encounter and that have impacted on their academic, professional and personal success and development. The fees place the HSC and TCOM in line with fees charged at other Texas Health Science Centers. The proposed changes in student fees was recently presented to the Board of Regents and approved for the next academic year.

The Office of Student Affairs is in the process of developing a more comprehensive "8th Semester" orientation program and a series of interactive sessions addressing issues that directly impact graduating seniors (e.g., choosing a specialty and fellowship program, financial planning, IRS responsibilities, coding, legal responsibilities as an intern and resident, etc.).

The process of interviewing for the "Dean's Letter" will begin next month. TCOM students will be contacted soon and encouraged to make their appointments to begin the process. The Dean's letter is a "letter of introduction" for residency programs and summarizes much of the student's performance during their medical education, clinical rotations and their personal attributes. Information regarding the appointments and required documents (e.g., personal statement, curriculum vitae, etc.) can be obtained through the Office of Student Affairs (ext. 2505).

PA Studies: (from PA Lemke)

PATTI PAGELS, PA-C – TAPA Educator of the Year

At the recent annual meeting of the Texas Academy of Physician Assistants (TAPA) held last weekend in Dallas, our own Patti Pagels, MPAS, PA-C, was honored as recipient of the TAPA Educator of the Year award. During her acceptance speech, Patti admitted she was caught completely by surprise and that she was humbled by this recognition; so much so that she confessed to being “left speechless”, a condition she described as a rare event for her! Congratulations Patti!

PA CURRICULUM REVISIONS (Update)

A “business plan” detailing requirements for embarking on an independent PA curriculum was submitted to the office of the Dean of TCOM late last month. The plan describes the rationale for moving to an independent PA curriculum here at UNTHSC and an analysis of costs and resources required to support the endeavor. The proposal is under consideration by the Dean’s staff.

PA PROGRAM ADMISSIONS CONTINUE

This year the PA program has received over 400 applications. Over 75 interviews have been conducted so far and the Admissions Committee plans for about 30 more before announcing final selections in March. Stay tuned. The program expects to enroll 28 new PA students in August.

PA STATEWIDE FACULTY MEETING
Three UNTHSC PA faculty will attend the second annual statewide PA faculty meeting held this weekend at Houston's Baylor College of Medicine. The agenda includes discussions on items such as the Texas PA workforce and implications for state PA programs; curriculum in Texas PA programs, mechanisms for evaluating student's clinical performance, admission requirements (variances and similarities), competencies for future PAs, and related topics.

PUBLICATIONS
Congratulations to Carolyn Telford, PA-C, Michael Clark, PhD, PA-C, Hank Lemke, MMS, PA-C, Mr. Nicolas Welsh, and Daisha Cipher, PhD (SPH); all of which had either an abstract or article published in the latest issue of *Perspective on PA Education*; the Official Journal of the Association of Physician Assistant Programs.

Science and Health News:
PROFESSIONAL ISSUES

Medical schools reeling as state funds dip Underserved patient populations are likely to be the biggest losers. By Myrle Croasdale, AMNews staff. Feb. 17, 2003. Additional information
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In the wake of state budget woes across the country, publicly funded medical schools are considering a variety of options for making ends meet. They include raising tuition, cutting research funding and freezing faculty hiring.

School administrators say they'll do their best to protect medical education this year but they aren't optimistic about maintaining the quality of training and research if the budget downturn persists.

Seventy-three medical schools out of the 124 allopathic four-year programs in the United States are considered public. Many raised tuition in 2002 because of budget pressures, and more increases are slated for fiscal year 2003.

California, which is facing a $35 billion shortfall, has a history of protecting its medical education system, but this year that's impossible, said Gerald Levey, MD, provost for medical science at the University of California, Los Angeles, and dean of the David Geffen School of Medicine.

73 of the 124 U.S. allopathic medical schools are public institutions.

While one year will be tough, a pattern of cuts could be crippling, he said. "What's of deep concern to myself and all academic [administrators] in California is the magnitude of budget cuts to the state next year, the year after and who knows how long into the future," Dr. Levey said. "When things stabilize, we tend to not get the cuts back."

All of the University of California system's five medical schools have already raised student fees to cover a mid-2002 cut from the state.

Dr. Levey said the UCLA medical school is considering raising student fees $1,200 for fiscal 2003. Research has already been affected. But, Dr. Levey said he is committed to expanding the school's research portfolio to help address state budget cuts.

Many unknowns

Specific reductions for 2003 are still undetermined. An initial budget proposal by California's governor, which was struck down by the Legislature, called for a 15% reduction in Medi-Cal reimbursements and a $299 million decrease in state dollars for the University of California system.

A spokesman from the UC system said the Medi-Cal cut would have sliced a minimum of $300,000 from academic medical center revenues and $10.5 million from UC physician clinic revenue.

The UCLA medical school, which gets 13% of its $742 million budget from the state, has lowered administrative salaries 5%, and the school is ready to freeze hiring if needed, Dr. Levey said.

For now, UCLA has no plans to trim medical education programs or reduce residency slots, but "nothing that we could imagine would be in the realm of impossible," Dr. Levey said. "It's a staggering deficit."

Across the country at West Virginia's Joan C. Edwards School of Medicine at Marshall University in Huntington, a handful of resident positions were trimmed in July 2002 in response to budget woes brought on by soaring medical liability insurance premiums. The premiums ate up $1.8 million of the school's $70 million budget in 2002 and will rise another 13% for fiscal 2003.

Combined with increases to health insurance and workers' compensation premiums, an unfunded salary increase mandate and proposed state cuts, Marshall could see a $3.2 million drop in its budget for 2003.

If Medicare reimbursement rates are reduced, the school will take an even bigger hit, according to Jim Schneider, associate dean for finance and administration at the school.

Schneider said the school has placed a ban on filling all state-funded positions and imposed a 10% reduction on all medical school department operating budgets. The freeze means 20 positions are vacant, including three recent resignations from the general surgery staff.

If these cuts don't generate enough savings, all medical school staff will have to take a three- to five-day unpaid furlough this summer.

Meanwhile the faculty losses to general surgery have pushed nonemergency surgeries back more than three weeks. Only five general surgeons now support the two-hospital trauma service.

"This is the first time in the 25 years I've been in higher education that we've faced such a significant challenge," Schneider said.

In New York, state medical school tuition is scheduled to increase 80% over four years, landing at $18,000 annually in 2004. Yet the state plans no funding cuts for the schools.

Joshua Cohen, chair of the AMA's medical student section and a medical student at New York University School of Medicine, said the jump in tuition has stunned enrolled students and is discouraging prospective State University of New York medical school students, as tuition nears what private schools charge.

However, the biggest losers, he said, are the medically underserved, since public schools are often the last refuge for students wanting to work in underserved areas.

"I have a number of friends in the SUNY systems who are frustrated," Cohen said. “They chose to go to public school because of the lower financial burden, so they could go into primary care and work in underserved areas. Now, they don't think they'll be able to afford to do that."

NEW YORK TIMES
March 7, 2003
Officials Seek Smallpox Vaccine Compensation Fund
By ROBERT PEAR

WASHINGTON, March 6 - With President Bush's smallpox vaccination program running far behind schedule, officials asked Congress today to authorize compensation for people injured by the vaccine.

Dr. Julie L. Gerberding, director of the Centers for Disease Control and Prevention, said the program would bolster defenses against "an intentional smallpox attack."

As Mr. Bush considers military action in Iraq, health officials issued explicit warnings about the potential for terrorists' using smallpox here.

"Smallpox poses a very real threat to our country and our citizens," said Tommy G. Thompson, secretary of health and human services.

State officials and unions that represent police officers, firefighters and health care workers said the absence of compensation for injury or death was a major reason for reluctance in getting the vaccine. Smallpox is highly contagious and can spread rapidly. Officials want to have teams of vaccinated people ready to respond.

In December, federal officials said they wanted 500,000 health care workers vaccinated in the first phase of a national program. The inoculations began on Jan. 24 and were supposed to be completed in 30 days. As of Tuesday, officials said, 12,404 people were vaccinated. Officials said a small number of adverse reactions had been reported.

"We want to make darn sure we're prepared," Mr. Thompson said today.

He said his department would speed vaccinations of employees at the disease-control agency and uniformed officers in the Commissioned Corps of the Public Health Service.

Republican members of Congress said they hoped to give quick approval to legislation like that proposed by Mr. Bush. Democrats said the proposal did not guarantee adequate compensation.

Under Mr. Bush's plan, the government would pay $262,100 for each health worker who dies or is completely disabled by the vaccine. A person less severely injured could receive up to $50,000 plus medical expenses. The same payments would be available to people injured after having contact with vaccinated workers.

The government said that it would eventually make the vaccine available to the general public, but that it was not recommending it. Those people would not be eligible for the new compensation.

Robert E. McGarrah Jr., a public health expert at the A.F.L.-C.I.O., said the vaccination program started disastrously because "the administration refused to listen to the concerns of patients, doctors, nurses and other health care workers."

Federal officials have said state workers' compensation programs would take care of injuries and lost wages. But Mr. McGarrah said, "Only 12 states have said they will offer coverage in the event of injury from this vaccine."

For every million people vaccinated, 1,000 may have serious reactions, 14 to 52 will suffer life-threatening complications and 1 or 2 could die, officials said.

The vaccine is made from a live virus, vaccinia, a cousin of smallpox. Recipients can accidentally transmit it to others. People with weakened immune systems have a particular risk of complications.

The Senate majority leader, Bill Frist, Republican of Tennessee, said Mr. Bush's proposal was "a vital step" to reassure that compensation would be available.

Senator Judd Gregg, Republican of New Hampshire, said that "with the threat of war looming on the horizon" Congress had to act swiftly. Mr. Gregg is chairman of the Committee on Health, Education, Labor and Pensions.

The senior Democrat on the panel, Senator Edward M. Kennedy of Massachusetts, welcomed the proposal, but said it fell "short of what is needed to compensate injured workers adequately."

Gerald W. McEntee, president of the American Federation of State, County and Municipal Employees, said the plan was "still woefully inadequate." It does not protect workers from being coerced to take the vaccine, does not require states to screen for high risk of complications and does not ensure health care for injured people, Mr. McEntee said.

NEW YORK TIMES
March 4, 2003
Bush's Goal for Medicare: Good Doctor-Patient Relationship
By ROBERT PEAR

WASHINGTON, March 4 - President Bush laid out his vision for overhauling Medicare today, saying that it would help America keep its promises to its senior citizens by offering comprehensive coverage of prescription drugs and preventive services to people who join private insurance plans.

"Our vision, our goal is a system in which all Americans have got a good insurance policy, in which all Americans can choose their own doctor, in which seniors and low-income citizens receive the help they need," Mr. Bush said in a speech before the American Medical Association.

The president declared, to repeated cheers and applause, that he sees a health-care system "in which the patient-doctor relationship is the center of good medical care."

"This vision stands in stark contrast to the government-run health care ideas; the ideas in which the federal government decides care, the federal government rations care, the federal government dictates coverage - a vision which, in my judgment, will stifle innovation, stifle quality, and run up the costs on the patients of America," Mr. Bush said.

The president said he wanted to offer senior citizens three broad choices in a retooled Medicare system.

One option would be to remain in the current system and get an annual $600 subsidy to help pay for prescription drugs.

Another option would be what Mr. Bush called "an enhanced form of Medicare" that would provide more kinds of coverage and let patients choose their primary doctors, specialists and hospitals.

A third option would allow patients who prefer managed-care plans, including prescription-drug coverage, to stay with that arrangement and "keep their out-of-pocket costs to a minimum," Mr. Bush said.

"Medicare reform is a large and complicated task," the president said at one point. "People have strong opinions on this matter."

That last line drew laughter from the audience. But, in fact, the subject of Medicare reform has spawned bitter arguments between the White House and Capitol Hill Democrats, some of whom see the administration's proposals as a move toward privatizing the 38-year-old program.

The administration has backed away from its original idea to offer no drug benefits to elderly people in the traditional fee-for-service Medicare program. But drug benefits available through private plans would be far more extensive, so Medicare recipients would have strong incentives to join private plans.

More than 85 percent of the 40 million Medicare beneficiaries are in the original fee-for-service program, which gives people a free choice of doctors but offers virtually no coverage of prescription drugs outside hospitals.

Administration officials said the proposed new drug benefits could be available on Jan. 1, 2006, if Congress passed legislation this year.

The president's proposal to make a prescription drug discount card available to all seniors and to provide an additional $600 subsidy to low-income participants for their prescription drug costs is meant "to give seniors more immediate help, the White House said. Mr. Bush told the A.M.A. that the discount card could reduce retail drug prices by 10 percent to 25 percent.

Senator Tom Daschle, Democrat of South Dakota, the minority leader, denounced Mr. Bush's proposals in advance.

"The president's new plan still privatizes Medicare," Mr. Daschle said on Monday, as elements of Mr. Bush's ideas were being previewed. "It still requires seniors to leave the traditional Medicare program if they want insurance coverage that helps them with the routine costs for medications."

John C. Rother, policy director of AARP, an advocacy group for older Americans, said: "At least, the Bush administration is moving in the direction of providing a drug benefit to people in the traditional Medicare program. But most beneficiaries will probably not consider the new proposal adequate."

Under the latest version of the administration's proposal, people in the traditional Medicare program would receive two kinds of assistance - the discount card and protection against very high drug expenses - without paying any additional premiums.

Administration officials said the catastrophic coverage would take effect after a beneficiary's drug expenses exceeded a certain amount. Last week they said that amount was $4,500 to $7,000. More recently, they have declined to specify the threshold.

Asked about figures in the range of $4,500 to $7,000, a senior administration official said on Monday, "Any number like that is completely speculative and is not a number that we would give any credence to."

The Congressional Budget Office says that 8 percent of Medicare beneficiaries have drug costs exceeding $6,000 a year. But this group accounts for a large share of medicines used by the elderly: one-third of all spending on outpatient drugs for Medicare recipients.

The official said Mr. Bush wanted to work out with Congress details such as when catastrophic coverage would take effect. The decisions could have immense political implications. Mr. Bush has promised drug benefits to the elderly, and Democrats plan to pummel him if he does not deliver.

Lawmakers from both parties insist that generous drug benefits must be available to people in the original fee-for-service program, as well as through private plans. The private plans include health maintenance organizations and loose networks of doctors and hospitals known as preferred provider organizations.

Democrats say that few elderly people would get tangible benefits from the president's proposal. The discount card is "of very, very marginal value," Mr. Daschle said.

In a summary of its proposal issued Monday evening, the White House said: "Those seniors who are happy with their current coverage in traditional Medicare will be able to keep that coverage and receive help with the high costs of prescription drugs. Traditional Medicare will continue to be there for those who want it, with help for prescription drugs."

Under the president's proposal, people who join a private plan would receive extra preventive benefits, including coverage of cancer screenings with no co-payments or deductibles. In addition, they would receive new protection against the costs of serious illnesses, as proposed by Senator Charles E. Grassley, Republican of Iowa.

Dr. John W. Rowe, the chairman of Aetna, applauded President Bush's new plan. "Aetna would certainly be very interested in participating," Dr. Rowe said in an interview.

But Senator Edward M. Kennedy, Democrat of Massachusetts, said: "The president's proposal is deeply flawed. He still says that senior citizens will be required to leave the traditional Medicare program if they want a decent drug benefit."

Health Policy News:

The Medicare Fix passed both the House and the Senate and sent to the President for signature. It is 54 Billion dollars for physicians over the next 10 years. For Texas, it means about $199 million more in 2003 and nearly $5 billion over the next 10 years. (If the 4.4% cut had taken place, it would have meant a $900 million additional cut this year for Texas physicians).

House Panels Pass Medical Malpractice Legislation - Legislation that would reform the medical liability system moved closer to final passage in the House this week as the Energy and Commerce and Judiciary committees passed the AAMC-supported "Help Efficient, Accessible, Low Cost, Timely Health Care (HEALTH) Act" (H.R. 5). The Energy and Commerce Health Subcommittee March 4 approved the bill by voice vote. The Judiciary Committee March 5 approved the bill along party lines by a vote of 15-13. The full Energy and Commerce Committee approved the bill by voice vote on March 6.

President Releases Medicare Reform Proposal - President Bush March 4 released a conceptual framework to "modernize and improve" Medicare by offering expanded plan choices to Medicare beneficiaries and providing immediate discounts to prescription drugs through a discount drug card. In addition, low-income Medicare beneficiaries would be eligible for a subsidy to help cover the costs of prescription drugs.

Medicare Outlier Rule Published - The Centers for Medicare and Medicaid Services (CMS) March 5 published in the Federal Register [68 FR 10420] a proposed rule that would modify the methodology for Medicare outlier payments. Outlier payments help offset some of the financial losses hospitals incur when treating high-cost patients.

VA CARES Commission Named - Department of Veterans Affairs Secretary Anthony Principi March 3 announced the establishment and membership of the Capital Assets Realignment for Enhanced Services (CARES) Commission. The independent Commission "will review VA's capital asset needs and ensure that the concerns of veterans and other stakeholders are fully addressed." The Commission will hold public meetings across the country and is expected to present its recommendations to the Secretary in the fall of 2003.

Senate Sets Appropriations Subcommittee Assignments - Senate Appropriations Chairman Ted Stevens (R-Alaska) and Ranking Member Robert Byrd (D-W.Va.) March 4 announced subcommittee assignments for the 108th Congress. They also announced the creation of a new Homeland Security Subcommittee and the merger of the Transportation and Treasury-General Government Subcommittees.

NQF Mammography Center Measures Committee Begins Work - The coordinating committee for the National Quality Forum's Mammography Center Measures project met March 4 to identify areas of potential quality measurement useful to consumers. The project, sponsored by the Robert Wood Johnson (RWJ) Foundation, will identify a set of consumer-focused measures of mammography center quality that is scientifically credible, feasible and informative to consumers.

MedPAC Payment Recommendations 'Outrage' Providers - Recommendations by the Medicare Payment Advisory Commission that most health providers in the Medicare program not receive a pay increase next year "touched off a round of outrage" on March 6 during a House Ways and Means Health Subcommittee hearing, CongressDaily/AM reports. MedPAC on March 3 recommended a 0.4% reduction in reimbursement increases for hospital inpatient care and a 0.9% reduction in increases for outpatient services. The commission recommended no reimbursement changes for home health agencies and nursing homes (Rovner, CongressDaily/AM, 3/7). MedPAC also recommended no change for ambulatory surgical centers (MedPAC release, 3/3). MedPAC Chair Glenn Hackbarth said that Medicare payments are generally "adequate to cover the costs of efficient providers." Speaking on behalf of the American Hospital Association, Dennis Barry of North Carolina's Moses Cone Health System said that the cuts "would jeopardize hospitals' ability to care for their communities," adding, "For the majority of America's hospitals, Medicare is already not paying adequately, and these rates would exacerbate the situation." Mary Ousley of the American Health Care Association, a trade group for nursing homes, said, "The reality is that quality care cannot be provided for less than cost." However, Hackbarth said that nursing homes are facing financial difficulties because Medicaid, not Medicare, is underpaying them. AARP board member Betty Severyn supported MedPAC's position, saying that Medicare beneficiaries pay more when provider rates are higher. She added, "While we want providers to be paid fairly, we also believe it would be inappropriate to use limited federal dollars to increase provider payments without first ensuring that older and disabled Americans get the drug coverage they need" (CongressDaily/AM, 3/7). MedPAC's report is available online. In addition, Hackbarth's testimony is available online. Note: You will need Adobe Acrobat Reader to view the MedPAC documents.

'Perilous' Future Without Change

In other Medicare news, several current and former lawmakers on March 6 said that Medicare will be in "perilous financial shape" in the coming years if Congress adds a prescription drug benefit without "fundamentally changing the program," Congress Daily reports. During a forum sponsored by the U.S. Chamber of Commerce, former Sen. Bob Kerrey (D-Neb.) said that Medicare, Medicaid and Social Security will make up more than 50% of the federal budget in 10 years and that adding a prescription drug benefit to Medicare without significant changes to the program will "just make the scenario worse." Rep. Nancy Johnson (R-Conn.), chair of the House Ways and Means Health Subcommittee, said, "We have to bend the cost curve as the baby boomers retire." Sen. John Breaux (D-La.) also "ma[de] the case for fundamental change," Congress Daily reports, and both said they are optimistic about the chances of passing a Medicare overhaul bill this year. Breaux added, however, that the odds of that happening are slightly "better than 50-50".

CMS Announces Increase in 2003 Physician Payment Rates, Extension of Physician Enrollment Deadline
The Centers for Medicare and Medicaid Services (CMS) Feb. 28 published in the Federal Register a regulation that replaces the 4.4 percent cut in the CY 2003 physician fee schedule conversion factor, scheduled to take effect on March 1, with a conversion factor increase of 1.6 percent. The new rule will be effective March 1, 2003.

House Passes Total Cloning Ban
The House of Representatives Feb. 27 approved the "Human Cloning Prohibition Act of 2003" (H.R. 534) that would criminalize both reproductive and therapeutic cloning by a vote of 241-155. Sponsored by Representatives Dave Weldon (R-Fla.) and Bart Stupak (D-Mich.), H.R. 534 mirrors legislation that passed the House in July 2001 but died in the Senate. A bipartisan alternative (H.R. 801) sponsored by Representative James Greenwood (R-Pa.) that would ban reproductive cloning while allowing therapeutic cloning for medical research purposes to continue was defeated by a vote of 231-174.

Outlier Rule Still Pending; Legislators Weigh In
Initially scheduled to be published in early February, the much-anticipated rule on Medicare outlier payments is now to be published “any day" according to Centers for Medicare and Medicaid Services (CMS) officials. The outlier rule will modify the outlier payment methodology to address what CMS believes has been a “gaming" of the outlier system which has led to larger than expected outlier payments over the last several years.

Secretary Thompson Outlines FY 2004 Priorities
During a Feb. 26 House Budget Committee hearing on the Administration's FY 2004 Department of Health and Human Services (HHS) budget proposal, HHS Secretary Tommy Thompson identified some of his priorities for the coming year. His first priority was to work with Congress to develop a plan to cover the uninsured. Secretary Thompson also hoped to redirect a portion of fraud and abuse funding to providers who purchased technology that reduced medical errors and improved the quality of patient care. Included among his other priorities were medical liability reform and a new process to select Medicare contractors.

HHS to Fund Disease Management Demonstration Projects
During testimony Feb. 27 before the Senate Finance Committee, HHS Secretary Tommy Thompson announced plans to improve the quality and efficiency of Medicare services through capitated disease management demonstration projects. The demonstration projects will provide coordinated multispecialty disease management programs for Medicare beneficiaries with chronic conditions such as congestive heart disease and diabetes. Patients currently enrolled in the Medicare fee-for-service program may elect to participate in the demonstrations.

ACGME Approves New Duty Hours Rules
The Accreditation Council for Graduate Medical Education (ACGME) board Feb. 11 approved new duty hours requirements that go into effect on July 1, 2003.

Health Subcommittee Reintroduces Regulatory Reform Bill
House Ways and Means Health Subcommittee Chairman Nancy Johnson (R-Conn.) and Ranking Member Pete Stark (D-Calif.) Feb. 14 reintroduced bipartisan legislation to reduce the regulatory and paperwork burden currently imposed on Medicare providers. The new "Medicare Regulatory and Contracting Reform Act" (MRCRA) (H.R. 810) is based on a similar AAMC-supported bill that was introduced by Johnson and Stark in August 2001, which was also called MRCRA (H.R. 2768).

AHRQ Launches On-Line Quality Measures Warehouse
The Agency for Healthcare Research and Quality (AHRQ) Feb. 20 announced the launch of its Web-based National Quality Measures Clearinghouse (NQMC). The NQMC will contain the most current evidence-based quality measures and measure sets available to evaluate and improve the quality of health care.

Commerce Committee Passes Bill to Create Reporting System for Medical Errors
The House Energy and Commerce Committee Feb. 12 unanimously passed the "Patient Safety and Quality Improvement Act" (H.R. 6633), which would create a voluntary and confidential medical errors reporting system.

Jindal Steps Down
Department of Health and Human Services Assistant Secretary for Planning and Evaluation Bobby Jindal announced Feb. 13 that he will step down from his position effective Feb. 21, to "consider other opportunities in his home state of Louisiana."

Quotes

"The risk of doing nothing, the risk of hoping that Saddam Hussein changes his mind and becomes a gentle soul, the risk that somehow, that inaction will make the world safer is a risk I'm not willing to take for the American people."
PRESIDENT BUSH

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