Virtually every day that Congress is in session, AGA representatives are on Capitol Hill advocating for initiatives to advance the science and practice of gastroenterology. While 2005 was a tough year for health policy issues, specialty physicians and the AGA can count successes.

The AGA celebrates the following successes:

• Averting a Medicare physician payment cut.
• Creating the National Commission on Digestive Diseases at the NIH.
• Creating a Political Action Committee to increase the visibility of AGA on Capitol Hill.

For more information on AGA’s public policy work, read the Policy Update column in AGA’s weekly e-mail newsletter, AGA eDigest.


Subscribe to AGA’s grassroots newsletter by e-mailing policy@gastro2.org.

To get involved, e-mail policy@gastro2.org or call the AGA at (240) 482-3221 and ask to speak with Michael Kalutkiewicz.
Medicare Physician Payment Cut Averted
The Medicare physician payment formula is always at the top of the AGA’s legislative agenda. The AGA and our allies in the powerful Alliance of Specialty Medicine continuously advocate for a long-term fix to the fundamentally flawed sustainable growth rate (SGR) formula. On an ongoing basis, the AGA proactively meets with members of Congress, the Bush Administration, the Centers for Medicare and Medicaid Services (CMS) and members of the Medicare Payment Advisory Commission (MedPAC) to help devise a viable solution.

In 2005, we successfully prevented a scheduled 4.4 percent reduction in physician payments under Medicare. Congress froze physician payments at 2005 levels as part of the Deficit Reduction Act. Although a freeze in payments was not great news, it could have been worse; the Act was a budget-cutting exercise that resulted in many other cuts to Medicare and Medicaid. While Congress did not address the systemic flaws with the SGR and physicians still face possible fee reductions in 2007, Congress did allocate $7.3 billion to avert the scheduled cuts. Unlike previous years where physicians essentially borrowed against their future payments to finance payment updates, this year, Congress paid for the payment freeze.

Looking ahead in 2006, the AGA will continue to advocate for an overhaul in the Medicare physician payment system. Stressing the fundamental problems with the current system, the AGA will fight for a new system that accurately accounts for physicians’ increasing practice costs, the rise in utilization of medical technology, the growing number of elderly Americans and the needs of beneficiaries. Given the current federal budget deficit and the ongoing war in Iraq, it is possible that Congress may enact another Budget Reconciliation measure to curb spending, which would include additional cuts to Medicare and Medicaid. AGA will fight further cuts.

AGA Fights for Medical Liability Reform
In 2005, the battle for meaningful medical liability reform continued. In two previous years, the House passed legislation that capped non-economic damages (such as pain and suffering) at $250,000, while allowing full recovery of economic damages. The AGA supported this legislation, which passed the House for the third time in July 2005. Unfortunately, as in previous years, the legislation faced major obstacles in the Senate, where leadership did not bring the issue up for debate in 2005.

Looking ahead to 2006, passing comprehensive medical liability reform will still be a challenge. The AGA and the Alliance of Specialty Medicine are working with Republican leaders and the Bush Administration to develop and support a strategy to move a medical liability reform measure through the Senate as a means of reaching a conference with the House.

CMS Multiple Procedure Discount Policy is Unfair to GI
AGA continues to press for relief from Medicare’s multiple procedure discount policy as it applies to unrelated endoscopic procedures. The policy, implemented in January 1992, reimburses unrelated surgical procedures performed on the same patient on the same day at 100 percent of the fee schedule for the highest-valued procedure and 50 percent of the fee schedule for the next procedure.

During a meeting with CMS officials, AGA representatives presented compelling reasons why the multiple procedure discount should not apply to gastroenterology, including the fact that when the second GI procedure is discounted, only 70-75 percent of the work value for that procedure is captured. Most other specialties recoup closer to 100 percent of the work value for that procedure. Several months after our meeting with CMS, the agency responded with a statement that AGA was not taking into account significant pre- and
post-operative efficiencies – according to data the agency did not reveal.

We disagree with the CMS assessment and will continue to fight for fair reimbursement for gastroenterologists. Our argument focuses on the fact that most gastroenterology procedures have a zero-day global billing period where the same efficiencies are not realized as for surgical procedures. Zero-day global codes have no payment for post-operative work in their payments. There are also few to no pre-operative efficiencies or redundancy. The multiple surgery reduction policy, therefore, is inappropriate for scopes, or any other procedures, that do not have an extended global period because it results in over-discounting the payment for the subsequent procedures.

AGA Evaluates Ambulatory Surgery Center Legislation
As part of the Medicare Modernization Act (MMA) of 2003, CMS is mandated to revise the current ambulatory surgery center (ASC) payment system in a budget-neutral manner by 2008. Based on concerns that CMS will create an ASC payment system that will significantly decrease payments, the Federated Ambulatory Surgery Association and the American Association of Ambulatory Surgery Centers, in consultation with large companies such as AmSurg and HealthSouth, secured introduction of legislation that ties ASC rates to 75 percent of the hospital outpatient department (HOPD) rates. Attempts to add the legislation to the Deficit Reduction Act of 2005 were not successful, however, we expect efforts to move this legislation in the 2006 session.

Gastroenterology ASC payments are currently higher than 75 percent of HOPD rates. A “hold harmless” provision, which would keep ASC rates above the 75 percent threshold at current levels, was built into the legislation in an attempt to secure the support of those specialties, such as gastroenterology, that would see an overall decrease in payment rates.

AGA is concerned that Congress could remove the hold harmless provision and adjust the percentage in relation to HOPD rates in order to produce the required budget-neutral solution. Basing ASC reimbursement at 75 percent of HOPD rates also raises concerns because payment levels could be negotiated downward during the legislative process. In 2006, AGA will work with other gastroenterology societies and interested parties to address these concerns and advocate for the most favorable result for GI procedures under a new ASC payment system.
NIH Establishes National Commission on Digestive Diseases

On Aug. 26, 2005, the Department of Health and Human Services (HHS) formally announced the creation of the National Commission on Digestive Diseases, bringing to reality one of the AGA’s highest legislative priorities.

The Commission, which will operate under the auspices of the National Institutes of Health (NIH), will conduct an overview of the state-of-the-science in the field of digestive diseases research and develop a long-range plan for digestive diseases research that is consistent with the research mission of NIH. The plan will focus on the goal of improving the health of the nation through digestive diseases research and will include specific objectives, goals and a recommended timeline for implementation. Recommendations will be made to the Director of NIH and to Congress.

AGA Presses for Increases in NIH Funding

As one of its last actions before adjourning in December, Congress approved an appropriations bill that would ultimately cut funding for NIH in fiscal year (FY) 2006 by 0.1 percent. As a result, the NIH will receive $28.2 billion in funding for FY 2006 while the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK) will receive $1.85 billion, or a 0.5 percent reduction, over the FY 2005 budget.

In April 2005, the AGA joined the Ad Hoc Group for Medical Research in calling upon Congress to increase NIH funding in FY 2006 by 6 percent. In a similar scenario to the funding debate of 2004, constituencies like AGA who favored increases for NIH were pitted against legislators and groups who favored cutting the domestic spending budget across the board. Sens. Arlen Specter (R-PA) and Tom Harkin (D-IA) continued to work tirelessly on behalf of the research community and offered an amendment to the Senate’s NIH funding bill to add $1 billion to the NIH budget. While the Senate passed the amendment, it was deleted in a House/Senate conference committee, which reconciled the differences between the two bills.

Looking ahead to 2006, the AGA will again work with the Ad Hoc Group and Congressional champions of NIH increases in efforts to overcome a proposed freeze on NIH budget levels proposed by President Bush.

AGA Secures Language for Polyp Study

In an effort to direct more NIH funding toward digestive disease research, AGA secured legislative language encouraging various NIH institutes to conduct a long-term study on the natural history of colonic polyps. Specifically, the language calls for the NIDDK, the National Cancer Institute and the National Institute of Biomedical Imaging and Bioengineering to conduct a study focusing on “developing information on the history of polyps, including size and other histopathologic characteristics, which may serve as indicators of future colorectal cancer; the extent to which polyps can be monitored including colonoscopic and colonography or other screening techniques; and the optimal time in the course of polyp development when removal becomes essential to minimize the onset of colorectal cancer.”

Previous studies have concluded that the natural history of untreated colonic polyps is uncertain. The AGA hopes that the proposed, long-term study will shed light on the role polyp size plays in the incidence of colorectal cancer. Also, the study should help direct more funds to digestive disease research that might otherwise go to other areas of scientific inquiry.
The AGA submitted comments to CMS on the Competitive Acquisition of Outpatient Drugs and Biologicals proposed and interim final rules, a voluntary program where physicians will have the option of obtaining many physician-administered drugs from vendors selected by Medicare through competitive contracting. AGA requested that CMS address provisions that are burdensome to physician practices, such as the consideration of an administrative service fee to offset some of the additional costs for participating in the Competitive Acquisition Program (CAP). Based on comments made by the AGA and many other organizations, CMS opted to publish the final rule as an interim rule to allow for additional comments. CMS also made a number of changes to improve the bidding process, increase the number of drugs that can be furnished under the CAP and ensure access to newly approved drugs.

The AGA continued to advocate for key hospital outpatient reimbursement issues. AGA’s recommendation not to split out ERCP codes from APC 0384, GI stenting, was accepted by CMS. AGA comments requesting that CMS recalculate GI stenting procedures using more accurate claims data helped prevent a nearly 15 percent reduction in these procedures, instead resulting in a 3.71 percent increase for 2006. With our support, CMS also finalized its decision to modify its interpretation to consider eligible for pass-through payments those items that are surgically inserted or implanted either through a natural orifice or a surgically created orifice, as well as those that are inserted or implanted through a surgically created incision. This will allow beneficiaries access to less invasive technologies for colorectal and gastrointestinal procedures.

The AGA expressed disappointment to CMS on its decision to retain six new procedures added to the ASC list (colonoscopy and sigmoidoscopy with stents and sigmoidoscopy with ultrasound) in the lowest ASC payment group. Although CMS will eventually move to a new payment methodology, AGA believes that CMS should provide appropriate rates to maintain beneficiary choice and access to important medical procedures in the meantime. CMS should pay for these procedures at the highest payment group level.

The AGA continued to advocate for the presence of gastroenterologists on outside regulatory groups and commissions. The AGA successfully added a gastroenterologist to the Medicare Coverage Advisory Committee, which advises CMS on whether specific medical items and services meet clinical and scientific standards to be covered under the Medicare program. We also supported or nominated gastroenterology candidates for the National Commission on Digestive Diseases, Food and Drug Administration panels, the Practicing Physicians Advisory Council, the Medicare Payment Advisory Commission and the Medicaid Commission.

The AGA submitted comments to CMS to improve the Hospital Conditions of Participation requirements. AGA recommended changes to the history and physical requirements provisions and specifically asked that CMS list the provider when it refers to expanding the number of “permissible professional categories of individuals” who may perform the medical history and physical examination. We also agreed with extending the time for the history and physical requirements to within 30 days, but noted that it is important to assess the patient at the time of admission or as close to admission as possible.

The AGA expressed concern to the Department of Health and Human Services that interim final ethics rules addressing conflict of interest issues for NIH employees and scientists were too restrictive. AGA requested that the rule be rescinded or substantially revised. The final rule includes relaxed restrictions on stock ownership and allows NIH scientists to engage in outside activities with scientific and professional organizations, such as giving lectures, providing scientific grant review, editing journals and sitting on boards.
Advocacy Day
On Sept. 15-16, 2005, 29 AGA members gathered in Washington, DC, for AGA’s annual Advocacy Day. During their visits to Capitol Hill, attendees focused on such crucial issues as the Medicare physician payment update and NIH funding levels. Unlike previous Advocacy Day attendees, this year’s participants faced a substantial challenge in delivering their messages: the devastation the country suffered at the hands of Hurricane Katrina, which struck the Gulf Coast two weeks before Advocay Day 2005.

Attendees rose admirably to this challenge. During Congressional meetings, they expressed concern for hurricane victims and their families and offered their expertise in such areas as foodborne and waterborne illnesses and other potentially dangerous digestive diseases that might occur in natural disasters. Congressional offices subsequently encouraged the gastroenterologists to present their case for increased funding for NIH and a remedy to the impending 4.4 percent cuts to Medicare physician fees.

AGA thanks the 2005 Advocacy Day attendees (pictured below) for traveling to Washington, DC to help further the AGA agenda.

If you are interested in participating in Advocacy Day or in any other AGA grassroots advocacy activity, please contact Michael Kalutkiewicz of the AGA National Office at policy@gastro2.org.

AGA Launches New Grassroots Newsletter
In the spring of 2005 the AGA launched its first issue of “Capitol Hill Highlights” – a new grassroots newsletter that is sent to members in e-mail format. Intended to complement the Policy Update column in AGA eDigest, the grassroots newsletter focuses exclusively on the Congressional environment and the politics surrounding action on key issues of interest to gastroenterology. The newsletter is aimed at keeping AGA members more informed of the inner workings of Congress and federal agencies which can be very beneficial in subsequent communications with their legislators. If you would like to receive a free subscription to Capitol Hill Highlights, please contact Michael Kalutkiewicz at policy@gastro2.org.

Grassroots Online Outreach
The AGA continues to offer members the opportunity to communicate with their legislators on key issues through the AGA Web site. In 2005, members sent almost 2,000 letters to Congressional offices on such key topics as the Medicare physician update and NIH funding. Watch for action alerts in 2006 for your opportunity to voice your opinions to your members of Congress.
The AGA is active in establishing and working vigorously in coalitions with other medical specialty, research and patient advocacy organizations. Our activities with coalitions help develop a broader constituency and enhance our clout in advocating for key public policy priorities.

**Alliance of Specialty Medicine**

The AGA is a founding member of the Alliance of Specialty Medicine. The Alliance has been very effective in developing strong relationships with legislators in both the House and the Senate, on both sides of the aisle to help advance issues critical to specialty medicine.

Key activities in 2005 with the Alliance of Specialty Medicine included:

- Annual Washington Fly-In where members met with key legislators to discuss our priority issues. AGA members Carla Ginsburg, MD, MPH, and Michael Weinstein, MD, represented the AGA. Several Senators addressed the Alliance including Orrin Hatch, R-UT, and Debbie Stabenow, D-MI. Participants from the House included Reps. Phil Gingrey, R-GA, Michael Burgess, R-TX, Tom Price, R-GA, Joe Schwarz, R-MI, and Charles Boustany, R-LA – all physicians. Fly-Ins offer members a unique opportunity to communicate with key health legislators and their staffs on some of the critical issues facing specialty physicians.

- A panel discussion on pay-for-performance with Herb Kuhn, Director of Medicare at CMS, Michael Rapp, MD, Director of the Quality Measurement and Health Assessment Group at CMS and congressional committee staff.

In 2006, the Alliance will continue to work closely with Congress and the Administration on issues critical to specialty medicine, such as the Medicare physician payment formula and medical liability reform.

**Coalition for Patient Centered Imaging**

The AGA joined with other medical societies to establish the Coalition for Patient Centered Imaging (CPCI), a group formed to respond to allegations that diagnostic imaging performed by physicians other than radiologists is “substandard” and “unnecessary,” and that the growth in utilization is principally attributable to in-office testing by physicians other than radiologists.

In 2005, the CPCI:

- Held more than 300 Capitol Hill visits.
-Testified before the House Ways and Means Committee.
- Held a Capitol Hill briefing on the benefits of imaging.
-Met with officials at CMS.

Unfortunately, CPCI also witnessed a reform of payments for imaging services as part of the Deficit Reduction Act. In the coming year, the AGA and CPCI will advocate that Congress reverse the payment reforms placed on imaging procedures, which were never debated in a public forum. It sets a bad precedent for Congress to cut reimbursements for services that experience increased growth. The AGA will continue to be actively involved with the CPCI to ensure that gastroenterologists have access to the latest technologies for their patients.

**Practice Expense Survey Coalition**

In 2005, the AGA helped form the Practice Expense Survey Coalition to explore options and strategies to reverse the CMS decision in the 2006 physician fee schedule final rule to not implement supplemental practice expense data submitted by gastroenterology and other specialties. Implementation of this data would have increased gastroenterology fees in 2006 by 1.4 percent and by 5.7 percent over a four-year transition. The AGA, individually and through the coalition, will continue to urge CMS to implement the supplemental data as soon as possible since it met the specified criteria and was accepted as valid by CMS in the proposed rule for 2006.

**National Colorectal Cancer Roundtable**

The AGA continued to take a leadership role in the National Colorectal Cancer Roundtable, a coalition of more than 50 medical professional, consumer advocacy, and voluntary organizations committed to raising awareness about the prevention and early detection of colorectal cancer. AGA member Bernard Levin, MD, serves as co-chair of the roundtable. The AGA also played a leadership role by chairing the Policy Task Group of the roundtable and by working to design and implement a cost analysis to explore how increasing screening rates among older Americans could impact costs to the Medicare program as that population ages.

Continued on back page
For years, Congressional leaders have promised to correct inequities in the Medicare physician reimbursement formula and to provide adequate biomedical research funding. Unfortunately, Congress has not made good on these promises despite our strong alliances on Capitol Hill. While this report illustrates that the AGA can count major legislative policy accomplishments, including short-term reimbursement solutions and the creation of the National Commission on Digestive Diseases, we still have a long way to go to ensure that the future of GI is vibrant.

AGA PAC is Gastroenterology’s Voice on Capitol Hill

To augment our advocacy efforts and visibility among key leaders in Washington, DC, we formed the AGA Political Action Committee (AGA PAC). The mission of the AGA PAC is to give gastroenterologists greater visibility on Capitol Hill and a more effective voice on policy decisions that affect the science and practice of gastroenterology.

The AGA PAC is the only political action committee supported by a national gastroenterology society. Every step we take will be designed to strengthen the future of your practice, your research and your livelihood. AGA PAC will work to:

- Obtain reasonable Medicare reimbursement rates.
- Increase federal funding for biomedical research.
- Encourage medical liability reform.
- Ease regulatory burdens on gastroenterologists.

Maintaining alliances with key members of Congress is especially important now, with Medicare payment issues on the table and the stability of research funding in jeopardy. Your ongoing, annual contributions to AGA PAC are an essential part of our efforts to ensure that the legislators who will shape the future of medical practice understand the key issues facing gastroenterologists.

Watch your mailbox for more information on the AGA PAC.

Digestive Disease National Coalition

The AGA took a leadership role in the Digestive Disease National Coalition (DDNC), a coalition of professional societies and patient advocacy organizations committed to improving the lives of those suffering from digestive diseases. AGA member Carla Ginsburg, MD, MPH, the AGA’s official representative to the DDNC, participated in the DDNC’s annual Public Policy Forum where patients and physicians lobbied Capitol Hill on issues such as the National Commission on Digestive Diseases, the Inflammatory Bowel Disease (IBD) Act and the Eliminate Colorectal Cancer Act.

American Medical Association

The AGA continues to collaborate with the AMA on policy issues critical to medicine. In 2005, AGA worked with the AMA on Medicare physician reimbursement, medical liability reform and patient safety legislation. The AGA will continue serving in the AMA’s House of Delegates and its Section Council on Digestive Disease. Ronald Fogel, MD, serves as the AGA’s Delegate to the AMA.

Council of Subspecialty Societies

The AGA collaborated with the American College of Physicians’ Council of Subspecialty Societies (CSS) with Ronald Fogel, MD, serving as AGA’s representative. The AGA will continue working with CSS on issues important to internal medicine such as education and training, improved reimbursement, health information technology and chronic disease management programs.

Ad Hoc Group for Medical Research/Friends of the VA

The AGA supports the Ad Hoc Group and Friends of the VA in their quest to adequately fund biomedical research within the NIH and the Department of Veterans Affairs. The Ad Hoc Group continues to be a key resource and effective coalition builder in coordinating the message of hundreds of organizations and academic institutions interested in promoting a robust federal investment in research.

AGA CREATES POLITICAL ACTION COMMITTEE

For years, Congressional leaders have promised to correct inequities in the Medicare physician reimbursement formula and to provide adequate biomedical research funding. Unfortunately, Congress has not made good on these promises despite our strong alliances on Capitol Hill. While this report illustrates that the AGA can count major legislative policy accomplishments, including short-term reimbursement solutions and the creation of the National Commission on Digestive Diseases, we still have a long way to go to ensure that the future of GI is vibrant.

AGA PAC is Gastroenterology’s Voice on Capitol Hill

To augment our advocacy efforts and visibility among key leaders in Washington, DC, we formed the AGA Political Action Committee (AGA PAC). The mission of the AGA PAC is to give gastroenterologists greater visibility on Capitol Hill and a more effective voice on policy decisions that affect the science and practice of gastroenterology.

The AGA PAC is the only political action committee supported by a national gastroenterology society. Every step we take will be designed to strengthen the future of your practice, your research and your livelihood. AGA PAC will work to:

- Obtain reasonable Medicare reimbursement rates.
- Increase federal funding for biomedical research.
- Encourage medical liability reform.
- Ease regulatory burdens on gastroenterologists.

Maintaining alliances with key members of Congress is especially important now, with Medicare payment issues on the table and the stability of research funding in jeopardy. Your ongoing, annual contributions to AGA PAC are an essential part of our efforts to ensure that the legislators who will shape the future of medical practice understand the key issues facing gastroenterologists.

Watch your mailbox for more information on the AGA PAC.

Bernard Levin, MD
Chair, Public Affairs and Advocacy Committee

Ronald P. Fogel, MD
Committee Vice-Chair, Grassroots Programs

Michael Roberts
Vice President, Public Policy

Kathleen Teixeira
Senior Director of Government Affairs

Anne Marie Bicha
Director of Regulatory Affairs

Michael Kalutkiewicz
Public Policy Coordinator