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News of the Day

In Perspective

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What does the “stimulus bill” mean for medicine?

February 24th, 2009

As it was physically impossible for congressmen to have read the mammoth “stimulus bill” ([American Recovery and Reinvestment Act of 2009](#)) before voting on it, or for the President to have read it before signing it, our rulers themselves are probably only dimly aware of what they have done.

In a conference call on Feb 19, Congressman Michael Burgess, M.D., (R-TX), founder of the Congressional Health Care Reform Caucus, noted the following:

1. The stimulus bill was 100% written by Democrats. There was no Republican input.
2. As with SCHIP, the Medicaid and COBRA provisions of the Stimulus Bill have a *funding cliff*. There is zero funding after a certain point (4 years for SCHIP, 18 months for Medicaid, and 12 months for COBRA). That decreased the CBO scoring of cost. *This makes the \$87 billion worth of “help” to the states for Medicaid like a subprime mortgage*: there’s a huge balloon payment due after a few months or years.
3. The Democrats will try to move quickly to enact a unified plan. (Apparently that’s what Obama meant by a “down payment.”)

PROVISIONS

Greg Scandlen observed that the **COBRA** provisions load a huge burden onto employers. They are supposed to track down all workers with adjusted gross income less than \$125,000, who were terminated after Sep 1, to let them know they are newly eligible for COBRA. Instead of paying the premium themselves, the workers get a direct federal subsidy for 65% of the cost. Grace-Marie Turner writes that the \$25 billion for COBRA “imposes a back-door mandate on employers to continue providing health insurance coverage to workers long after they have left... [I]t just may crack the already fragile ability of employers to continue offering health coverage” (*Health Policy Matters* 2/13/09).

“**Privacy**” provisions are expansions of HIPAA. Fortunately, they do not do away with noncovered entities (the “country doctor” exemption). They extend requirements to “business associates” of “covered entities.” They require an audit trail for accessing electronic records; prescribe penalties for breaches; and require notification to public if protected information is breached. The “stimulus” creates new government jobs: regional office privacy advisors to educate entities about security and privacy. Apparently, these are technical requirements written by a company that can supply just what is needed to meet them. While there are restrictions on the sale of information, there is a gaping loophole for “TPO” (treatment, payment, and operations, which can mean nearly anything, as well as research and public health purposes).

Electronic records. The bill states: “The National Coordinator shall...update the Federal Health IT Strategic Plan...to include specific objectives, milestones, and metrics with respect to...the utilization of an electronic health record for each person in the United States by 2014.” Starting in 2011, Medicare and Medicaid will provide financial incentives over multiple years of up to \$40,000 to \$65,000 per eligible physician for “meaningful” use of HIT, as in reporting of clinical quality measures. Starting in 2015, physicians and hospitals who do not use HIT in a “meaningful way” will be penalized ([N Engl J Med 10.1056/NEJMp0900665](#)).

“**Comparative effectiveness research**” receives \$1.1 billion, including \$400,000,000 to be used at the discretion of the Secretary of HHS (a slush fund). This is to compare the “clinical outcomes, effectiveness, and appropriateness” of medical services.

These two provisions set up the infrastructure for a health rationing bureaucracy, as explained by former New York

Lieutenant Governor Betsy McCaughey ([www.bloombergnews.com 2/9/09](http://www.bloombergnews.com/2/9/09)).

WHAT PEOPLE SAY

The AMA: “The final HIT provisions are not exactly what we would have drafted, but they do represent real progress and a major improvement upon the status quo.” And: “Suggestions that a[n] Office of Health Information Technology... will monitor treatments to make sure your doctor is doing what the federal government deems appropriate and cost effective are unfounded” (AMA eVoice 2/17/09).

Rep. Pete Stark (D-CA): “The new research will eventually save money and lives, although it may very well shorten the lifespan of some senior citizens *who would not be allowed to receive some treatments even if they volunteer to pay for them themselves*” (Robert Pear, New York Times 2/15/09) [emphasis added]. This version was taken down, and the quotation was truncated after “money and lives.”

Rep. David Obey (D-WI), Chairman of House Appropriations Committee: “By knowing what works best... those items, procedures, and interventions that are most effective... will be utilized, while those that are found to be less effective and in some cases, more expensive, *will no longer be prescribed*” [emphasis added].

Sen Tom Coburn, M.D. (R-OK): “It is ludicrous to ask a body that can’t track its own spending to determine which medical treatments are best for individual patients suffering from complex diseases. The only reason to fund this project now is to lay the groundwork for establishing a government board that will be empowered to make life and death decisions about health care treatments and cost.”

Former Congressman **Ernest Istook:** The pace of debate on the Stimulus Bill was \$4 billion/minute.

Robert Pear, reporter, New York Times: “The bill creates a council of up to 15 federal employees to coordinate the research and to advise President Obama and Congress on how to implement an oversight bureau that would require physicians to submit their patient diagnoses to this bureau for approved treatment and how much money it will cost to fund.” He also notes that Britain, France, and other countries “have taken the treatment decision away from the physician and given it to a government body to determine the tradeoff between cost and treatment.”

Barack Obama, on signing the stimulus bill: “We have done more in 30 days to advance the cause of health care reform than this country has done in an entire decade” (*Health Policy Matters* 2/20/09).

Additional information:

- [“Sudden Death for Medicine?” AAPS News, March 2009.](#)
- [“Blitzkrieg,” AAPS News, January 2009](#)
- [AAPS Analysis: Call to Action Health Reform 2009 by Senate Finance Committee Chairman Max Baucus](#)

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