

## POLICY &amp; PRACTICE

**Boston Limits Tobacco Sales**

Boston has banned tobacco-product sales at pharmacies—becoming the second city to do so—and on college campuses. The Boston Public Health Commission's board of health also banned new permits for smoking bars, such as hookah and cigar bars, and prohibited the sale of blunt wraps, a tobacco leaf often used to roll marijuana. The board said it was working with pharmacies, health centers, and hospitals in the city to increase people's access to smoking cessation resources. Last year, San Francisco imposed the first municipal ban on cigarette sales by pharmacies. Many college campuses already ban tobacco.

**Metabolic Drugs Top List**

Medications that affect a person's metabolism by lowering cholesterol, controlling diabetes, and trimming weight accounted for \$38 billion of the \$208 billion that American adults spent on drugs in 2006, according to a report on prescription drugs by the Agency for Healthcare Research and Quality. Cardiovascular drugs accounted for \$33 billion; central nervous system drugs cost \$28 billion; psychotherapeutic drugs cost more than \$17 billion; and hormones cost \$14 billion. The AHRQ also found that spending for outpatient prescription analgesics increased from about \$4 billion in 1996 to more than \$13 billion in 2006.

**Most Unemployed Lack Coverage**

More than half of low-income workers who have lost their jobs in the recession also have lost their health insurance, according to a report from advocacy group Families USA. The report, which focuses on workers with annual incomes below 200% of the federal poverty level, found that only one in four of these unemployed workers received health care coverage through Medicaid or another public program. In addition, many low-wage workers don't qualify to buy continued employer-provided insurance after leaving a job. For those who do have access to that program, called COBRA, the premiums often are unaffordable, the report found. Low-income workers represent half of the unemployed under age 65, according to Families USA.

**Court Upholds Calorie Rule**

A federal appeals court has upheld New York City's rule requiring chain restaurants to provide calorie information on their printed and posted menus. The New York State Restaurant Association had asked the United States Court of Appeals for the Second Circuit to strike down the 2008 rule, arguing that it violated federal nutrition labeling law and the First Amendment. But the court rejected those arguments and said that the requirement to reveal calories on menu boards "clearly reasonably related" to the city's goal of reducing obesity. The ap-

peals court cited evidence that eating out is a major contributor to obesity and said that consumers generally are unable to assess the caloric content of foods. "A smoked turkey sandwich at Chili's contains 930 calories, more than a sirloin steak, which contains 540, [and] two jelly-filled doughnuts at Dunkin' Donuts have fewer calories than a sesame bagel with cream cheese," the court noted.

**AMA Sues Aetna, Cigna**

The American Medical Association and several state medical associations have filed separate class-action lawsuits against insurers Aetna Health Inc. and CIGNA, each suit claiming that the company used faulty data to undercompensate physicians. Filed in February in New Jersey federal court, the two lawsuits are similar to an earlier AMA suit against UnitedHealth Group, owner of the Ingenix billing database used by Aetna and CIGNA to determine fees for patients' visits to out-of-network physicians. As a result of the UnitedHealth lawsuit and an investigation by New York Attorney General Andrew Cuomo, UnitedHealth agreed to shut down the database and pay \$50 million to establish a new one run by a nonprofit organization. Among other things, the suits against Aetna and CIGNA seek a declaration that the insurers violated federal antitrust law and that they are liable to the plaintiffs for three times their damages, costs, and attorney fees. The medical associations also want the insurers to calculate and issue unpaid benefits to physicians. "We can no longer ignore the improper business practices of health insurers who decide to play by their own rules without regard to patients or the legitimate costs required to care for them," said Dr. Nancy H. Nielsen, AMA president. "Through our lawsuits, the AMA and our partner medical societies seek to reform the payment systems used by Aetna and CIGNA by ending their dependence on the Ingenix database."

**Reminders Effective for Screening**

Mailed reminders to patients do work in prompting colorectal cancer screening, and electronic reminders to physicians may increase screening among some patients, a study in the Archives of Internal Medicine indicated. The researchers randomly sent reminders to patients and physicians in 11 ambulatory health care centers. Screening rates were higher for patients who received mailings, which contained an educational pamphlet, fecal occult blood test kit, and instructions for scheduling a flexible sigmoidoscopy or colonoscopy. Overall screening rates were similar between patients of physicians who received electronic reminders and of those who did not, but screening rates did trend higher among patients who had frequent primary care visits, the study found.

—Jane Anderson

# Budget Sets Aside \$634 Billion for Health Reform

BY MARY ELLEN SCHNEIDER

President Barack Obama has made health care a top priority in his first budget proposal by setting aside \$634 billion over the next decade to begin reforming the health care system and expanding health care coverage to all Americans.

The proposed "reserve fund" for health care would get half of its funding from new revenue and half from savings proposals. For example, the Obama administration wants to introduce a competitive bidding process to the Medicare Advantage program, a move estimated to save more than \$175 billion over 10 years.

However, in its budget proposal, the administration acknowledged that even \$634 billion would not be enough to fully fund a comprehensive reform of the health care system and that administration officials would need to work with Congress to find even more money.

President Obama delivered the 140-page outline of his fiscal year 2010 budget proposal to Congress on Feb. 26; complete documents will be submitted to Congress in April.

"With this budget we are making an historic commitment to comprehensive health care reform," President Obama said. "It's a step that will not only make families healthier and companies more competitive, but over the long term, it will also help us bring down our deficit."

The budget proposal contains a set of eight principles the president plans to use to guide his health reform efforts: reducing premiums and other costs for American families and businesses, reducing costs from unnecessary tests and services, putting the nation on a path to universal health care coverage, providing portability to health care insurance, providing individuals with a choice of health plans and physicians, investing in prevention and wellness; improving patient safety and quality of care, and ensuring the long-term fiscal sustainability of the system.

Key among the reforms identified by the Obama administration is the need to change the Medicare physician payment formula. The president supports "comprehensive, but fiscally responsible" changes to the current payment system, according to the budget proposal. "The Administration believes Medicare and the country need to move toward a system in which doctors face better incentives for high-quality care rather than simply more care."

The budget proposal also contains good news for physicians who have been bracing for a deep Medicare pay cut next January. In what the administration calls a "return to honest budgeting," the FY

2010 budget proposal will account for the fact that payments to physicians under Medicare will not be significantly cut as called for under current law.

The American Medical Association applauded the administration's willingness to address Medicare physician payment issues. "President Obama's budget proposal takes a huge step forward to ensure that physicians can care for seniors by rejecting planned Medicare physician payment cuts of 40% over the next decade," AMA president Nancy H. Nielsen said in a statement. "Looming widespread physician shortages coupled with aging baby boomers highlight the urgent need for permanent Medicare physician payment system reform to preserve seniors' access to health care."

The investment in health reform was praised by health care advocates. Ron Pollack, executive director of Families USA, a national organization for health care consumers, said the FY 2010 budget proposal bodes well for achieving health care reform this year. It "is a critical first step towards two related and important objectives—bending the health care cost growth curve and ensuring that everyone has access to high-quality, affordable health

coverage and care," he said in a statement.

America's Health Insurance Plans also praised the president's commitment to health reform. However, the group criticized the proposal to make Medicare Advantage plans engage in a competitive bidding process, saying that significant cuts to Medicare Advantage would "jeopardize the health security of more than 10 million seniors" enrolled in the program and reverse payment incentives designed to improve quality of care.

The FY 2010 budget proposal also includes \$76.8 billion in discretionary funding for the Health and Human Services department. At press time, Congress was still finishing up work on the FY 2009 budget for the HHS.

The FY 2010 budget proposal for the HHS includes more than \$6 billion in cancer research funding at the National Institutes of Health, on top of the \$10 billion in NIH funding that was included as part of the American Recovery and Reinvestment Act, enacted earlier this month.

The administration's budget proposal also aims to address physician shortages by spending \$330 million to expand loan repayment programs for physicians, nurses, and dentists who agree to practice in medically underserved areas.

Finally, the proposal aims to reduce drug prices by accelerating access to generic versions of biologic drugs. ■

The FY 2010 budget proposal is available at [www.whitehouse.gov/omb/budget](http://www.whitehouse.gov/omb/budget).

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