

Welcome to the fall edition of the AMA's *Very Influential Physician (VIP) Insider*. Read on for details about these topics:

- Budget neutrality legislation discussion draft released by GOP Doctors Caucus co-chairs
- Hotline's initial 2024 Senate and House Power Rankings top five most vulnerable incumbents
- Another way to make your voice heard: Help us help YOU with Medicare payment reform

Budget neutrality legislation discussion draft released by GOP Doctors Caucus cochairs

The GOP Doctors Caucus Co-Chairs, Reps. Greg Murphy (R-NC), Brad Wenstrup (R-OH) and Michael Burgess (R-TX), working closely with Ways and Means Committee Chairman Jason Smith (R-MO), and the AMA, have released a <u>discussion draft</u> (PDF) of legislation seeking to reform the budget neutrality policies applied to the Medicare Physician Fee Schedule (MPFS). The goal is for this proposal to generate bipartisan support from the key House and Senate committees with jurisdiction over the Medicare program.

This legislative proposal is largely based on the work product that came out of the AMA Medicare Reform Workgroup. The discussion draft's provisions offer practical policy improvements to provide some needed stability to the physician payment system by assuring that the budget neutrality calculations used by the Centers for Medicare & Medicaid Services (CMS) are based on reality, not inaccurate projections of future spending or outdated practice cost data. While refining Medicare fee schedule budget neutrality policies is a key component of Medicare physician payment reform, it is important for medicine to continue pressing for the other proponents of comprehensive reform, including:

- 1. Automatic, annual inflation updates based on the Medicare Economic Index (MEI) as proposed by H.R. 2474
- 2. Reducing administrative burden and improving the clinical relevance of the Meritbased Incentive Payment System (MIPS)
- 3. Maintaining a viable pathway for physicians to opt into alternative payment models, as provided in H.R. 5013, the Value in Health Care Act

The House Energy and Commerce Subcommittee on Health held a hearing titled "What's the Prognosis?: Examining Medicare Proposals to Improve Patient Access to Care & Minimize Red Tape for Doctors" on Oct. 19. The purpose of the hearing was "to discuss fine-tuning Medicare payment to best serve seniors and strengthen the program." Of particular note, the Subcommittee discussed the budget neutrality proposal, posted by the committee as the <u>Provider Reimbursement Stability Act of 2023</u> (PDF), to reform the budget neutrality rules for the Medicare physician payment system. The AMA submitted a comprehensive statement (PDF) for the hearing record.

Hotline's initial 2024 Senate Power Rankings

By the National Journal's Sydney Kashiwagi and Kirk A. Bado

Democrats next year will be hard-pressed to hold their slim majority in the Senate, playing defense in 23 seats. Republicans, meanwhile, have an advantage heading into 2024, having to defend only 11 seats and flip just two to win back control.

As it stands now, these dynamics could be tricky for Democrats to navigate. They need to defend members in three states that former President Trump carried twice—West Virginia, Montana, and Ohio—and four seats in states that he won in 2016—Pennsylvania, Wisconsin, Michigan, and Arizona.

The National Republican Senatorial Committee is currently working on a two-prong strategy to try to win back the Senate: Boost candidates in primaries early on and stay on the same page as Trump so that the former president doesn't pick favorites in primaries as he did in 2022, which some Republicans say cost them the Senate.

Democrats do have one thing going for them. Messy Republican primaries are beginning to take shape in at least six states. In four of those—West Virginia, Montana, Nevada, and Michigan—the NRSC staked its claim early but has not managed to fend off MAGA candidates from challenging the party's hand-picked favorites.

However, there are many unknowns between now and Election Day. Abortion access, the economy, and crime could also help or hurt both parties along the way.

Strategists in both parties divided the Senate battlefield into three tiers. The top-tier states are West Virginia, Montana, and Ohio, states which Trump carried twice and which are home to vulnerable Democratic senators. The second tier—Pennsylvania, Nevada, Wisconsin, Michigan, and Arizona—are presidential battleground states. And the last tier—Texas and Florida—are red states Democrats are trying to flip.

These rankings of the 10 seats most likely to flip are based on conversations with operatives, strategists, campaigns, and pollsters in both parties.

1. West Virginia: Sen. Joe Manchin (D)

Manchin is seen as Democrats' only hope at holding on to this seat. If he doesn't run for reelection, Republicans will likely flip the seat in the deep red state that Trump won twice. Manchin has been keeping the political world guessing for months now and has said he won't make a final decision until the <u>year's end</u>. He is reportedly considering <u>three options</u>: run for reelection to the Senate as an independent, run for president as a No Labels candidate, or retire from politics altogether. A recent poll conducted by the GOP-aligned Senate Leadership Fund found Gov. Jim Justice <u>beating Manchin</u> 49-43 percent in a hypothetical matchup if Manchin runs as an independent.

Regardless of what Manchin does, Republicans feel confident they can flip the seat as Justice and Rep. Alex Mooney fight through a messy primary. Those in the Justice orbit point to recent polling that <u>showed Justice beating</u> Mooney and Manchin with over 50 percent in hypothetical matchups, and Manchin narrowly beating Mooney, 45 percent to 41 percent. But political observers caution that Mooney should not be taken for granted, either. Club for

Growth Action and Protect Freedom PAC raised <u>\$13.5 million for Mooney</u> and have committed to spending \$10 million to support him. That money can go a long way in West Virginia's inexpensive media market.

2. Montana: Sen. Jon Tester (D)

Montana could be the most competitive race this year—which is a credit to Tester's strength as a candidate, given that Trump won the state by 16 points. Tester outran the 2020 presidential margins by 10 points during his last reelection bid in 2018 against now-Rep. Matt Rosendale, who is considering a comeback bid, much to the chagrin of Republican leaders.

The deep-pocketed Club for Growth signaled earlier this year it would support Rosendale, but the group recently <u>intimated</u> that its support is not a given in the race. Rosendale is not a great fundraiser, and he'll need support to mount a meaningful primary campaign against former Navy SEAL Tim Sheehy, a wealthy business owner who has the capacity to self-fund, in the primary. If Rosendale makes it through the primary, then Tester stands a much better chance of winning reelection. Even though Sheehy is a political neophyte, the NRSC and most of the GOP establishment have rallied behind him. Sheehy's impressive résumé could give Tester the toughest election of his political life. But no matter who Tester faces, one of the final remaining rural Democrats will still have a difficult time with Trump topping the ticket.

3. Ohio: Sen. Sherrod Brown (D)

Ohio is not a bellwether anymore. Trump carried the state by 8 points in 2016 and 2020, and last cycle, J.D. Vance cruised to victory over Democratic Rep. Tim Ryan in the open seat to replace retiring Sen. Rob Portman.

This cycle, a familiar crowd is running again in the GOP primary: 2022 candidates Bernie Moreno and Matt Dolan are back, as well as Secretary of State Frank LaRose. Public polling of the GOP primary has been scarce, but what has been released shows a muddled race with room for any of the three to emerge. LaRose is the only candidate who has won statewide, while Moreno and Dolan have the independent resources to self-fund their efforts. A recent Emerson College <u>poll</u> found Brown within the margin of error against all three GOP contenders in hypothetical head-to-head matchups.

4. Pennsylvania: Sen. Bob Casey (D)

The Casey brand has remained strong in Pennsylvania. He's won six statewide elections and beat his last Republican opponent by more than 13 points in 2018.

But this time, Casey is running in a presidential year in a swing state and facing David McCormick, a wealthy self-funder back for another Senate run after finishing second in the GOP primary last cycle. McCormick has <u>managed to clear</u> the primary of any formidable candidates, at least for now, and the state's Republican Party united behind him <u>early on</u>.

Even though Casey has won his <u>past three races</u> by an average of 13 points, Democrats still view McCormick as a strong candidate without the messy primary battles other challengers face. He can basically run a general election 14 months out from when voters head to the polls.

5. Nevada: Sen. Jacky Rosen (D)

Democratic Sen. Catherine Cortez Masto may have narrowly defeated former state Attorney

General Adam Laxalt in 2022, but political observers in Nevada say that was no indication of a particular shift towards Democrats in the state.

It's also Rosen's first time running for reelection. The state has a very transient electorate thanks to the casino industry, which candidates have to constantly re-introduce themselves to. So Rosen will have to hustle to make sure those new voters know who she is.

Unaffiliated voters are now the <u>largest registered voting bloc</u> in the state, and the fact that they are barred from voting in primaries can make them an unpredictable group.

On the Republican side, the workings of a complicated primary are starting to take shape. The NRSC's candidate, 2022 candidate Sam Brown, is facing several Republican opponents, most notably Trump's former ambassador to Iceland, Jeffrey Ross Gunter, and Jim Marchant, the 2022 secretary-of-state nominee who won Trump's endorsement last cycle. The former president could complicate things by endorsing Gunter or Marchant. A messy Republican primary could work to Rosen's advantage because she won't have to spend as much money until one of them gets to the general election.

Hotline's initial 2024 House Power Rankings

By the National Journal's <u>James A. Downs</u> and <u>Kirk A.Bado</u>

Republicans are firmly on defense as they look to protect their razor-thin majority in the House. Democrats need to net just five seats in order to retake the majority, and the math currently favors them: There are just five Democrats in seats former President Trump carried, compared to 18 Republicans in districts President Biden won in 2020.

Should Rep. George Santos win renomination next year, New York's 3rd District instantly becomes the most likely to flip. But the uncertainty over Santos' <u>multiple investigations</u>, coupled with the prospect of his removal and a special election, keeps him off the rankings for now.

Redistricting in several states could change the battlefield. North Carolina Republicans are set to redraw their map later this month, potentially netting their party up to four seats. But litigation in Louisiana, Georgia, and Florida could all break in Democrats' favor. Because of this uncertainty, those districts remain off the list as well.

These initial rankings of the seats most likely to flip are a reflection of conversations with campaigns, candidates, strategists, pollsters, and operatives in both parties.

1. Alabama's 2nd: Rep. Barry Moore (R)

The Supreme Court's decision in <u>Allen v. Milligan</u> does Republicans no favors in Alabama. State Republicans appealed the decision to no avail, and one of three maps crafted by a special master will be used for the 2024 election—all of which mean Moore's district will now <u>favor the Democrats</u>. It's a near-instant flip for the minority party.

2. New York's 4th: Rep. Anthony D'Esposito (R)

The math in Long Island simply doesn't favor the former police officer, who represents the bluest district held by a Republican. Biden carried the seat by nearly 15 points. D'Esposito

has navigated the House chaos effectively, but both parties say that the freshman is the most vulnerable in New York. For Democrats, Laura Gillen, who lost to D'Esposito by nearly 4 points in 2022, is back again, and state Sen. Kevin Thomas has also entered the race.

3. California's 13th: Rep. John Duarte (R)

In one of the final races called last year, Duarte skated by Democratic state Assemblyman Adam Gray by less than a point in a district Biden carried by double digits. Initially viewed as a reach GOP target, this mid-Central Valley district typified the blue-state gains that delivered the majority for Republicans. Gray is back again, and strategists in both parties say Duarte faces a tough road to reelection in a presidential year, and with a potential Democrat-on-Democrat Senate race topping the ticket.

4. Washington's 3rd: Rep. Marie Gluesenkamp Perez (D)

Republicans think they can win with Joe Kent atop the ballot again, though they might not be the most excited to see him there. Kent's election denialism and ties to <u>white-supremacist</u> <u>groups</u> cost Republicans an otherwise easy-to-defend seat in 2022. Republicans prefer Camas City Councilor Leslie Lewallen to take on Gluesenkamp Perez, but she'll have to prove she can raise the funds to compete with Kent. Even with Kent as the nominee, the makeup of the district renders it highly competitive—Trump carried it by 4 points.

5. New York's 17th: Rep. Mike Lawler (R)

Lawler might be <u>Biden's favorite Republican</u>, and he'll need plenty of Biden/Lawler voters to get him across the line this year. Last year Lawler defeated Democratic Congressional Campaign Committee Chairman Sean Patrick Maloney, delivering Republicans a major symbolic victory. Biden carried the Hudson Valley district by 10 points, and Democratic outside groups have committed millions to oust Lawler and his fellow blue-state Republicans. Lawler's best bet is a pricey Democratic primary between former Rep. Mondaire Jones and Katonah-Lewisboro School District trustee Liz Gereghty, which drains their resources.

Another way to make your voice heard: Help us help YOU with Medicare payment reform

A new national study is being conducted by the American Medical Association to better understand the costs faced by today's physician practices. If you are among the 10,000 practices selected to participate in the <u>AMA Physician Practice Information survey</u> via email, we urge you to respond and help us further support physician payment reform. The study will rely on financial experts in physician practices to complete the online financial information survey, and it will look to input from physicians in each practice for information on their patient care hours. Please ask your practice leadership and management if they have been invited to participate and urge them to do so if they have. If you personally have received a survey about your hours, please respond.

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Be sure to follow all the AMA's Physician Grassroots Network social media accounts for all the latest news on physician advocacy and what you can do to make sure your voice is heard on Capitol Hill.







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