

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required To Complete This Page**

1. Registrant Name:

MARSHFIELD CLINIC

2. Address:

1000 N OAK AVE., MARSHFIELD, WI 54449

3. Principal place of business (if different from line 2):

Country: City: State/Zip(or Country):

4. Contact Name: BRENT V. MILLER

Telephone: (202) 327-5463

E-mail (optional): miller.brent@marshfieldclinic.org

Senate ID #: 57830-12

House ID #: 35255000

7. Client Name: Self

TYPE OF REPORT

8. Year 2006 Midyear (January 1 - June 30): **OR** Year End (July 1 - December 31):

9. Check if this filing amends a previously filed version of this report:

10. Check if this is a Termination Report: => Termination Date: 11. No Lobbying Activity:

INCOME OR EXPENSES

Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than \$10,000:

\$10,000 or more: => Income (nearest \$20,000): _____

Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than \$10,000:

\$10,000 or more: => Expenses (nearest \$20,000): 171,045.00

14. Reporting Method.

Check box to indicate expense accounting method. See instructions for description of options.

- Method A.** Reporting amounts using LDA definitions only
 Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
 Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Registrant Name: MARSHFIELD CLINIC Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: BUD (one per page)

16. Specific lobbying issues:

Provisions of the President's FY2007 Budget and related appropriations legislation (H Con Res 376, S Con Res 83) and the Deficit Reduction Act (S 1932, HR 4241) related to implementation of the Medicare Advantage and Prescription Drug Programs, the provision of Medicare and Medicaid services and benefits to patients, incentives to promote electronic health records for all Americans, medical liability reform, prescription drug benefits. Labor HHS Appropriations, HR 5647, Appropriations for Community Health Centers, Increased Funding for Tele-health Activities Defense Appropriations HR 5631 support for funding for Optical Gene Mapping of Engineered Biological Warfare Agents

17. House(s) of Congress and Federal agencies contacted:

U.S. House of Representatives, Senate, White House, Department of Health and Human Services, Center for Medicare/Medicaid Services, Health Resources and Services Administration, Agency for Health Research and Quality, Government Accountability Office, Medicare Payment Advisory Commission, USDA Animal and Plant Health Inspection Service, USDA Food Safety Inspection Service, USDA Office of Public Health Science, and USDA Cooperative State Research, Education and Extension Service, Department of Homeland Security, Federal Emergency Management Agency, Environmental Protection Agency.

18. Name of each individual who acted as a lobbyist in this issue area:

Name: FARNSWORTH, KATHLEEN

Covered Official Position (if applicable): N/A

Name: MILLER, BRENT

Covered Official Position (if applicable): N/A

Name: NYCZ, GREG

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: MARSHFIELD CLINIC Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: F00 (one per page)

16. Specific lobbying issues:

Provisions in the President FY 2007 Budget and related appropriations legislation including public health programs in health and wellness and prevention; plant and animal inspections and programs; bioterrorism preparedness -- human, food, animal; human, animal and plant laboratory networks and response networks; Johns research and eradication; Chronic Wasting Disease eradication and diagnos

17. House(s) of Congress and Federal agencies contacted:

U.S. House of Representatives, Senate, Department of Health and Human Services, USDA Animal and Plant Health Inspection Service, USDA Food Safety Inspection Service, USDA Office of Public Health Science, and USDA Cooperative State Research, Education and Extension Service

18. Name of each individual who acted as a lobbyist in this issue area:

Name: FARNSWORTH, KATHLEEN

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: MARSHFIELD CLINIC Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: HCR (one per page)

16. Specific lobbying issues:

Implementation of the Patient Safety and Quality Improvement Act of 2005 (HR 3205) introduced by Rep. Michael Bilirakis (R-FLA) was enacted as Public Law 109-41 on 7/29/2005. This law Amended the Public Health Service Act to designate patient safety work product as privileged and not subject to: (1) a subpoena or discovery in a civil, criminal, or administrative disciplinary proceeding against a provider; (2) disclosure under the Freedom of Information Act (FOIA) or a similar law; (3) admission as evidence in any civil, criminal, or administrative proceeding; or (4) admission in a professional disciplinary proceeding. Defines "patient safety work product" as any data, reports, records, memoranda, analysis, or written or oral statements which: (1) are assembled or developed by a provider for reporting to a patient safety organization (PSO); (2) are developed by a PSO for patient safety activities and which could result in improved patient safety or health care quality or outcomes; or (3) identify or constitute the deliberations or analysis of, or identify the fact of reporting pursuant to, a patient safety evaluation system. Medical Liability HR 5, the Help Efficient, Accessible, Low Cost, Timely Healthcare (HEALTH) Act of 2005 introduced by Rep. Phil Gingrey (R-GA) - Sets forth provisions regulating lawsuits for health care liability claims concerning the provision of health care goods or services or any medical product affecting interstate commerce. Sets a statute of limitations of three years after the date of manifestation of injury or one year after the claimant discovers the injury, or should have discovered the injury. Limits noneconomic damages to \$250,000. Requires court supervision over payment arrangements to protect against conflicts of interest that may reduce the amount of damages awarded that are actually paid to claimants. Allows the court to restrict the payment of attorney contingency fees. HR 534, the Help Efficient, Accessible, Low-Cost, Timely Healthcare (HEALTH) Act of 2005, introduced by Rep. Chris Cox in the House and S. 354 by Senator John Ensign in the Senate to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system.

17. House(s) of Congress and Federal agencies contacted:

U.S. House of Representatives, Senate, White House, Department of Health and Human Services, Center for Medicare/Medicaid Services, Health Resources and Services Administration, Agency for Health Research and Quality, Government Accountability Office, Medicare Payment Advisory Commission

18. Name of each individual who acted as a lobbyist in this issue area:

Name: MILLER, BRENT

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: MARSHFIELD CLINIC Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: LBR (one per page)

16. Specific lobbying issues:

H.R. 4437, the Border Protection, Antiterrorism, and Illegal Immigration Control Act of 2005 amends the Immigration and Nationality Act (INA) to curtail illegal immigration through enhanced enforcement of immigration laws and border security. H.R. 4437 Section 701 would create an electronic verification system for employment. This new system will be based on the current [Basic Pilot] system and would require an employer to check, within three working days of hire, each new employee's work eligibility and identity using a toll-free telephone line or other electronic medium. H.R. 4437 section 702 establishes a secondary verification process that must be initiated to confirm the validity of the information provided and would be required to provide the employer with a confirmation or non-verification of work eligibility within ten working days after the initial non-confirmation. Employers would not be allowed to terminate individuals that had received a tentative non-confirmation until the employer had received a non-verification or the ten-day period of time had elapsed. In this process a "Tentative non-confirmation of work eligibility" appears to be problematic, because the system has a high percentage of "false positives" attributable to data base errors.

17. House(s) of Congress and Federal agencies contacted:
US House of Representatives, US Senate

18. Name of each individual who acted as a lobbyist in this issue area:

Name: MILLER, BRENT
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: MARSHFIELD CLINIC Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: MED (one per page)

16. Specific lobbying issues:

HR 1175 Medical Laboratory Personnel Shortage Act of 2005 introduced by Rep. Schimkus- Amends the Public Health Service Act to require the Secretary of Health and Human Services (HHS), through scholarships and loans for health professional training that may be modeled after the National Health Service Corps' scholarship and loan repayment programs, to alleviate the shortage of medical laboratory personnel where needed.HR 2218 Medicare Laboratory Services Access Act of 2005 introduced by Rep English, Phil - Amends title XVIII (Medicare) of the Social Security Act (SSA) to specify as \$5.78 for 2006, adjusted for inflation in each subsequent year, the nominal fee for collecting specimens for clinical diagnostic laboratory tests under Medicare. Oppose limits on the laboratory CPI update. Lab Competitive Bidding -- The MMA 103 has required that HHS conduct a demonstration program on competitive bidding for clinical lab tests furnished without a face-to-face encounter between the Medicare beneficiary and the hospital personnel or physician performing the test. CMS views the competitive bidding design as a means to establish new lab fees based on costs. The current lab fee schedule is hopelessly outdated, and should be revised, but we urge caution regarding the structure and comprehensiveness of the demonstration. Competitive bidding will subordinate timeliness and specimen integrity in lab analysis to bulk quantity analysis at the expense of quality patient care. Lab fee schedule changes should be consistent with the emerging emphasis on quality and performance-based reimbursement.

17. House(s) of Congress and Federal agencies contacted:

U.S. House of Representatives, Senate, White House, Department of Health and Human Services, Center for Medicare/Medicaid Services, Health Resources and Services Administration, Agency for Health Research and Quality, Government Accountability Office, Medicare Payment Advisory Commission

18. Name of each individual who acted as a lobbyist in this issue area:

Name: MILLER, BRENT

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: MMM (one per page)

16. Specific lobbying issues:

Provisions of the President's FY2007 Budget and related appropriations legislation (H Con Res 376, S Con Res 83) and the Deficit Reduction Act (S 1932, HR 4241) related to implementation of the Medicare Advantage and Prescription Drug Programs, the provision of Medicare and Medicaid services and benefits to patients, incentives to promote electronic health records for all Americans, and prescription drug benefits. Sustainable Growth Rate Medicare's SGR mechanism unfairly links physician payment updates to factors unrelated to patients' needs and the cost of providing patient care. If the SGR formula is not changed, Medicare program trustees predict that Medicare physician payments will be cut by 31% between 2006-2013. Reform proposals include reimbursement updated on a market basket basis, removal of prescription drugs from the calculation of Medicare Part B costs, and rebasing Part B to reflect current rather than cumulative costs. S. 1081, by Senators Jon Kyl (R-AZ) and Debbie Stabenow (D-MI), the Preserving Patient Access to Physicians Act, would replace projected Medicare payment cuts with positive updates in each of the next two years. The bill would provide an update of not less than 2.7% in 2006 and an update in 2007 that reflects physician practice cost inflation, which is expected to be about 2.6%. H.R. 2356, Repeal of the Sustainable Growth Rate, by Reps. Clay Shaw (R-FL) and Ben Cardin (D-MD) A bill to amend title XVIII of the Social Security Act to reform the Medicare physician payment update system through repeal of the sustainable growth rate (SGR) payment update system. Pay-for Reporting and Performance Currently the prevailing methods of paying for health care in the US neither incent nor reward providing high quality care. The rising costs of care coupled with the increasing awareness of poor quality care have made clear the need for a transformation in the way health care is financed. In the fee-for-service system Medicare currently reimburses for units of service, in a manner that promotes service utilization without regard to quality. This has had the unanticipated, but now recognized effect of economically stimulating growth in the numbers of services provided by physicians. Medicare must implement quality based payments for physician services, and capture the data on performance measures utilizing available claims-based data recoverable through enhanced IT functions. S. 1356, Introduced by Senators Chuck Grassley (R-IA) and Max Baucus (D-MT), the Medicare Value Purchasing Act, a bill that links physician payment to quality performance, increasing payment by 2% incrementally between 2008 and 2012, and funding the performance payments by drawing funds from physicians who do not report quality performance. HR 3617, the Medicare Value-Based Purchasing for Physician Services Act introduced by Rep. Nancy Johnson (R-CT) amends Part B (Supplementary Medical Insurance) of title XVIII (Medicare) of the Social Security Act to provide for value-based purchasing in the payment for physicians' services under the Medicare program. Establishes updates to the single conversion factor for 2006 through 2009 and succeeding years for such services. The legislation directs the Secretary of Health and Human Services to: (1) provide, as part of the rulemaking process, for the selection of quality measures (Q-measures) and efficiency measures (E-measures) meeting specified general requirements; and (2) determine a single rating of each billing unit based on Q and E measures, and disclose to the public whether a particular billing unit met performance objectives. On October 28, 2005, the Centers for Medicare and Medicaid Services (CMS) proposed the Physicians Voluntary Reporting Program (PVRP). In the program CMS calls on physicians to report on a [Core Starter Set] of 16 evidence-based performance measures selected with input from the National Quality Forum, the Ambulatory Care Quality Alliance, and the National Committee for Quality Assurance, (NCQA). For reporting purposes physicians will utilize provisional [G- Codes] developed by CMS to indicate whether a patient received a service, did not receive the service, was not an eligible candidate to receive the service, or would not be considered a patient under the care of the physician at the time of the service. Information Technology Under current law the capital and operating expenses of installing and maintaining an electronic medical record are assumed to be part of the overhead expense of a medical practice. Since no more than 5 [10%] of the physician population has installed EMRs, CMS' measurement of current physician practice expenses reflect minimal expense associated with IT. Congress should provide incentives for EMR adoption, and should establish standards to facilitate the sharing and exchange of data. S. 1418, the Wired for Health Care Quality Act introduced by Senator Michael Enzi (R-WY) - Amends the Public Health Service Act to establish the Office of the National Coordinator of Health Information Technology to coordinate and oversee programs and activities to develop a nationwide interoperable health information technology infrastructure. Requires the National Coordinator to: (1) serve as the principal advisor to the Secretary of Health and Human Services (the Secretary) concerning the development, application, and use of health information technology and to coordinate and oversee the health information technology programs of the Department of Health and Human Services (HHS); (2) facilitate the adoption of a nationwide, interoperable system for the electronic exchange of health information; (3) ensure the adoption and implementation of standards for such exchange; (4) ensure that HHS health information technology policy and programs are coordinated with those of relevant executive branch agencies; (5) coordinate outreach and consultation by the relevant executive branch agencies with public and private parties of interest; and (6) advise the President regarding specific federal health information technology programs. HR 4157, the Health Information Technology Promotion Act, introduced by Rep. Nancy Johnson (R-CT) Rep. Nathan Deal establishes within the Department of Health and Human Services an Office of the National Coordinator for Health Information Technology. Directs the National Coordinator to: (1) maintain, direct, and oversee the continuous improvement of a strategic plan to guide the nationwide implementation of interoperable health information in both the public and private health care sectors; and (2) serve as the coordinator of federal government activities relating to health information technology. Prescribes conditions under which any nonmonetary remuneration (in the form of health information technology and related training services) made by a hospital or a critical access hospital to a physician shall not be considered a prohibited payment (subject to civil and criminal penalties) made as an inducement to reduce or limit services to certain individuals. Payment Fairness for Practice Costs The formulas by which Medicare's payments are calculated are widely variable throughout Medicare localities, and are based upon outdated data assumptions regarding the cost and organization of medical practice. Alternatives: CMS administratively revise its measurements of the costs of practice to assure the validity and fairness of

payments; a payment floor could be established for practice expense; or the present variation (.705 | 1.501) in practice expense could be channeled into a narrower corridor of adjustment. Payment Equity. Before MMA 03, Medicare's payments were geographically adjusted based upon erroneous assumptions about the cost of hiring and retaining physicians. Congress established a floor payment mechanism for the physician work component of Medicare payment for 104 | 106 to assure that physicians in low payment localities were compensated for their work at least at the national average payment amount. This payment floor should be extended indefinitely or geographic adjustment of work should be eliminated entirely. H.R. 5118 Section 5, SEC. 5. Extension of Floor on Medicare Work Geographic Adjustment. Introduced by Rep. Greg Walden. Medicare Part D Call Center Requirements. CMS issued a February 2006 guidance (Attachment 1) requiring customer service call centers to be open 8 a.m. through 8 p.m. 7 days per week, including holidays. Pharmacy technical help desks are required to be open 24 hours/day 7 days per week if there are network pharmacies open for this period. Medicare Prescription Drug, Improvement, and Modernization Act of 2003 - Public Law No: 108-173: Title II: Medicare Advantage - Subtitle B: Immediate Improvements - (Sec. 211) Revises the payment system, requiring all plans to be paid at a rate at least as high as the rate for traditional Medicare fee-for-service plans. Makes change in budget neutrality for blended payments. Increases minimum percentage increase to national growth rate. Subtitle C: Offering of Medicare Advantage (MA) Regional Plans; Medicare Advantage Competition - (Sec. 221) Directs the Secretary to establish regional plans to encourage private plans to serve Medicare beneficiaries in from 10 to 50 regions, including in rural areas, within the 50 States and the District of Columbia beginning not later than January 1, 2005. Includes risk corridors for plans during the first two years of the program in 2006 and 2007; a stabilization fund to encourage plan entry and limit plan withdrawals; a blended benchmark that will allow plan bids to influence the benchmark amount; and network adequacy stabilization payments to assist plans in forming adequate networks, particularly in rural areas. Subtitle D: Additional Reforms - (Sec. 237) Provides that Federally Qualified Health Centers (FQHCs) will receive a wrap-around payment for the reasonable costs of care provided to Medicare managed care patients served at such centers. Raises reimbursements to FQHCs in order that when they are combined with MA payments and cost-sharing payments from beneficiaries they equal 100 percent of the reasonable costs of providing such services. Extends the safe harbor to include any remuneration between a FQHC (or entity controlled by an FQHC) and an MA organization. (Sec. 238) Requires the Secretary to enter into an arrangement under which the Institute of Medicine of the National Academy of Sciences shall conduct an evaluation (for the Secretary and Congress) of leading health care performance measures in the public and private sectors and options to implement policies that align performance with payment under the Medicare program. Title III: Combating Waste, Fraud, and Abuse - (Sec. 303) requires the Secretary, beginning in 2004, to make adjustments in practice expense relative value units for certain drug administration services when establishing the physician fee schedule; (2) require the Secretary to use the survey data submitted to the Secretary as of January 1, 2003, by a certain physician specialty organization; and (3) require the Secretary, beginning in 2005, to use supplemental survey data to adjust practice expense relative value units for certain drug administration services in the physician fee schedule if that supplemental survey data includes information on the expenses associated with administering drugs and biologicals the administration of drugs and biologicals, the survey meets criteria for acceptance, and the survey is submitted by March 1, 2004, for 2005, or March 1, 2005, for 2006. Title IV: Rural Provisions - Subtitle B: Provisions Relating to Part B Only - (Sec. 412) Directs the Secretary to increase the work geographic index to 1.00 for any locality for which such work geographic index is less than 1.00 for services furnished on or after January 1, 2004, and before January 1, 2007. Since this provision expires at the end of 2006 it must be extended or revised. (Sec. 413) Establishes a new five percent incentive payment program designed to reward both primary care and specialist care physicians for furnishing physicians' services on or after January 1, 2005, and before January 1, 2008 in physician scarcity areas. Directs the Secretary to pay the current law ten percent Health Professional Shortage Area (HPSA) incentive payment for services furnished in full county primary care geographic area HPSAs automatically rather than having the physician identify the health professional shortage area involved. Directs the Comptroller General to conduct a study for a report to Congress on the differences in payment amounts under the Medicare physician fee schedule for physicians' services in different geographic areas. Title VI: Provisions Relating to Part B - Subtitle A: Provisions Relating to Physicians' Services - (Sec. 605) Requires the Secretary to review and consider alternative data sources than those currently used to establish the geographic index for the practice expense component under the Medicare physician fee schedule no later than January 1, 2005. Requires the Secretary to select two physician payment localities for such purposes, one to be a rural area and the other one will be a statewide locality that includes both urban and rural areas. (Sec. 606) Directs the MEDPAC to submit to Congress: (1) a report on the effect of refinements to the practice expense component of payments for physicians' services after the transition to a full resource-based payment system in 2002; and (2) a report on the extent to which increases in the volume of physicians' services under Medicare part B are a result of care that improves the health and well-being of Medicare beneficiaries. Subtitle C: Other Provisions - (Sec. 626) Provides that in FY 2004, starting April 1, 2004, the ambulatory surgery center (ASC) update will be the Consumer Price Index for all urban consumers (U.S. city average) as estimated as of March 31, 2003, minus 3.0 percentage points. Provides that in FY 2005, the last quarter of calendar year 2005, and each of calendar years 2006 through 2009, the ASC update will be zero percent. Provides that upon implementation of the new ASC payment system, the Secretary will no longer be required to update ASC rates based on a survey of the actual audited costs incurred by a representative sample of ASCs every five years. Provides that subject to recommendations by the General Accounting Office, the Secretary will implement a revised payment system for payment of surgical services furnished in ASCs. Requires the new system to be implemented so that it is first effective on or after January 1, 2006, and not later than January 1, 2008. Requires the Comptroller General to conduct a study for a report to Congress that compares the relative costs of procedures furnished in ambulatory surgical centers to the relative costs of procedures furnished in hospital outpatient departments. (Sec. 628) Provides that there will be no updates to the clinical diagnostic laboratory test fee schedule for 2004 through 2008. Subtitle D: Additional Demonstrations, Studies, and Other Provisions - (Sec. 646) Amends SSA title XVIII to direct the Secretary to establish a 5-year demonstration program under which the Secretary is required to approve demonstration projects that examine health delivery factors that encourage the delivery of improved quality in patient care. (Sec. 649) Directs the Secretary to establish a pay-for-performance demonstration program with physicians to meet the needs of eligible beneficiaries through the adoption and use of health information technology and evidence-based outcomes measures. Title IX: Subtitle E: Miscellaneous Provisions - (Sec. 953) Requires the Comptroller General to report to Congress on: (1) the appropriateness of the updates in the conversion factor including the sustainability of the sustainable growth rate formula for 2002 and subsequently. Requires the report to examine the stability and predictability of such updates and rate and

Registrant Name: MARSHFIELD CLINIC Client Name: Self

alternatives for the use of such rate in the updates; and (2) all aspects of physician compensation for services furnished under Medicare and how those aspects interact and the effect on appropriate compensation for physician services. Deficit Reduction Act (Section 5102) reduced reimbursements for multiple images on contiguous body parts in 2006; the DRA provision created in statute a basis for payment reductions on the imaging of contiguous body parts that CMS implemented through the rulemaking process in 2005; the DRA also requires that payment rates for imaging services delivered in physician offices do not exceed payment rates for identical imaging services delivered in hospital outpatient departments beginning in 2007. Clinic recommends that Congress repeal Section 5102, and direct MedPAC and CMS to conduct a comprehensive study of imaging and the geographic variation in services to determine where growth in the volume of imaging services is appropriate and develop workable solutions to control inappropriate imaging utilization. Medicare Advisory Committee review of the scientific evidence pertaining to vertebroplasty and kyphoplasty. CMS Physician Group Practice Demonstration On September 27, 2002 the Centers for Medicare and Medicaid Services published a notice in the Federal Register informing interested parties of an opportunity to submit proposals for participation in the Medicare Physician Group Practice Demonstration (PGP) project to test a hybrid payment methodology that combines Medicare fee-for-service payments with a bonus pool derived from savings achieved by improvements in patient care management. Marshfield Clinic submitted a proposal for this demonstration and was selected by CMS to participate in the demonstration program, effective April 1, 2005. Request for an advisory opinion regarding the Stark Law Section 1877(g)(6) of the Social Security Act and Sections 411.370 et seq. of Title 42 of the Code of Federal Regulations. Whether Marshfield Clinic's physician-shareholders have an ownership or investment interest in Marshfield Clinic for purposes of the Stark Law. Oppose limits on the laboratory CPI update. Ambulatory Surgical Center Medicare Payment Modernization Act of 2005, H.R. 4042/S. 1884 Legislation introduced by Representative Wally Herger (R-CA) and Senator Mike Crapo (R-ID), would amend the law to reform the method for determining Medicare payment rates for ambulatory surgical centers (ASCs). This legislation would expand Medicare beneficiaries access to care in ASCs.

17. House(s) of Congress and Federal agencies contacted:

U.S. House of Representatives, Senate, White House, Department of Health and Human Services, Center for Medicare/Medicaid Services, Health Resources and Services Administration, Agency for Health Research and Quality, Government Accountability Office, Medicare Payment Advisory Commission

18. Name of each individual who acted as a lobbyist in this issue area:

Name: MILLER, BRENT

Covered Official Position (if applicable): N/A

Name: NYCZ, GREG

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Registrant Name: MARSHFIELD CLINIC Client Name: Self

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TAX (one per page)

16. Specific lobbying issues:

According to the Joint Committee on Taxation, health-related organizations make up the largest percentage of Section 501(c)(3) non-profit organizations, accounting for almost 60 percent of total revenues of the 501(c)(3)s. Of the health-related organizations, hospitals constitute almost three-quarters of total revenues. Congress is looking at several issues: how the standards for tax-exemption evolved; what criteria are used to assess if organizations meet the tax-exempt standard; whether tax-exempt organizations operate principally as businesses selling their services in a competitive market. Section 306 of S 2020, the Tax relief Act of 2005 introduced by Senator Chuck Grassley (R-IA) SEC. 306. Modifies Section 512(B)(13) of the Tax code requiring the certification by auditors or legal counsel of the Unrelated Business Taxable Income for certain not-for-profit Organizations. The provision requires every applicable exempt organization to include in its tax return a statement by an independent auditor or an independent counsel that certifies to the best of the auditor's or counsel's knowledge, the allocation of expenses between the unrelated trades and business of the organization and the activities related to the purpose or function constituting the basis of the organization's exemption under section 501 complies with the requirements set forth by the Secretary under section 512.

17. House(s) of Congress and Federal agencies contacted:
U.S. House of Representatives, U.S. Senate

18. Name of each individual who acted as a lobbyist in this issue area:

Name: MILLER, BRENT
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Signature: ON FILE Date: Jul 26, 2006

Printed Name and Title: Brent V. Miller, Director of Federal Government Rel -