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## HEALTH CARE REFORM UPDATE

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### Implementation of the Affordable Care Act (ACA)

On March 21<sup>st</sup> HHS released the national quality improvement strategy required by the Affordable Care Act. The strategy was outlined in a report to Congress and sets three overarching goals (better care, affordable care, and health people and communities) to promote better care and sets six specific priorities to achieve each goal. The report can be found [here](#), and the HHS press release can be found [here](#).

On March 21<sup>st</sup> Secretary of Labor Hilda Solis released a letter to be run in Hispanic newspapers and blogs to reach out to communities with information about the ACA. The Secretary has also been tapped by the administration to do targeted outreach to women and college students on behalf of the Administration.

California's State Insurance Commissioner Dave Jones (D) issued a joint statement on March 21<sup>st</sup> with the insurance company Anthem Blue Cross saying that the insurer will delay and reduce the most recently proposed health insurance rate increases that were set to take effect in April. The increase will now take effect in July, and Anthem is delaying increases in co-payments and deductibles proposed for April 1st to January 1, 2012. A copy of that statement can be found [here](#).

On March 22<sup>nd</sup> Senators Jeff Sessions (R-AL) and Orrin Hatch (R-UT) wrote a letter to the Medicare Trustees asking for an alternative estimate for when the trust fund will become insolvent if savings from the ACA are not used to make the fund solvent. A copy of that letter can be found [here](#).

On March 23<sup>rd</sup> conservative advocacy group Crossroads GPS filed a suit against HHS to compel documents that show the criteria being used by the agency to determine whether or not to grant or deny an entity a waiver of the annual limit requirements. The organization has claimed that the Obama administration has factored in political bias in its determination of waivers. A copy of the lawsuit can be found [here](#). That same day, Rep. Darrell Issa (R-CA) and Sen. John Ensign (R-NV) announced they were introducing legislation requiring HHS to go public with its waiver decisions. The lawsuit comes one day after Chairman of the House Small Business Committee Representative Sam Graves (R-MO) and Small Business Subcommittee on Health Chairwoman Renee Ellmers (R-NC) wrote a letter to Secretary Sebelius asking how HHS went about approving or rejecting waivers. A copy of the letter can be found [here](#).

Energy & Commerce Subcommittee on Health Chairman Joe Pitts (R-PA) held a field hearing on the one-year anniversary of the ACA, March 23<sup>rd</sup>, in the Pennsylvania Capitol titled "PPACA and Pennsylvania: One Year of Broken Promises." A copy of the briefing memo can be found [here](#).

On March 23<sup>rd</sup> Rep. Henry Waxman (D-CA), Ranking Member on the House Energy & Commerce Committee, reissued a statement calling for a reduction in the amount of time biological drug makers have exclusivity on their products under the ACA.

On March 23<sup>rd</sup> Senator Al Franken (D-MN) sent a letter to the Chairmen and Ranking Members of the Senate Finance and HELP Committees in support of maintaining the medical-loss ratio (MLR) provision in the ACA as it stands now. The Senator wrote the letter in response to legislation introduced by Representatives Mike Rogers (R-MI) and John Barrow (D-GA) to exempt fees charged by health insurance brokers from being classified as administrative costs under the law's MLR regulations.

On March 23<sup>rd</sup> House Energy & Commerce GOP Staff released a new analysis of the Early Retiree Program. The report says that the \$5 billion fund in the Affordable Care Act will run out of money before the sunset date in 2014. The report suggests that the fund could run out as early as 2012. The report can be found [here](#).

The Congressional Budget Office (CBO) released the evening of March 23<sup>rd</sup> an updated cost estimate of the ACA one-year later after implementation. In its analysis, it noted that there were no substantial changes and that its original estimates have been accurate so far. The CBO announcement can be found [here](#).

On March 23<sup>th</sup> the Supreme Court announced that it would consider Virginia Attorney General Ken Cuccinelli's (R) request to have its lawsuit fast-tracked at its April 15<sup>th</sup> conference. It is expected that the Court will reject the request.

CMS, according to internal documents obtained by various news sources, began collecting Medicare enrollment fees from all "institutional providers" as required by the ACA. The fees will start at \$505 and will be linked to the Consumer Price Index for future years. The money is intended to fund program integrity efforts including applicant screening.

#### Other HHS and Federal Regulatory Initiatives

On March 22<sup>nd</sup> HHS released a report saying that 48,000 Americans used the drug discount program. The HHS analysis found that one fourth of the rebate checks that went out went to Medicare beneficiaries under the age of 65 while 16 percent went to those who were 85 years of age or older.

The Office of the National Coordinator for health IT released specifications for The Direct Project, an initiative to allow for secure clinical messaging and exchange of health information, and also announced that over 60 health care and health IT organizations are supporting the initiative. A full list of supporters can be found [here](#).

On March 25<sup>th</sup> the Office of the National Coordinator for health IT released a five-year Federal Health IT Strategic Plan detailing how the government can promote the technology and glean its benefits through diverse public- and private-sector collaborations. The plan was mandated by the American Recovery and Reinvestment Act (ARRA). Public comments are being accepted until April 22<sup>nd</sup>. A copy of the report can be found [here](#).

Also on March 25<sup>th</sup> CMS released a two-page calendar detailing key deadlines through 2012 for eligible professionals who wish to participate in the ARRA incentive program for electronic medical records. The calendar can be found [here](#).

#### Other Congressional Initiatives

The top members of the Senate Finance Committee, Sens. Max Baucus (D-MT) and Orrin Hatch (R-UT), sent a letter to President Obama on March 24<sup>th</sup> requesting quarterly reports on the administration's efforts to

crack down on waste, fraud, and abuse in federal health programs. A copy of the press release can be found [here](#).

On March 24<sup>th</sup> the top Democrats on the Energy & Commerce Committee, Ranking Member Henry Waxman (D-CA), Health Subcommittee Ranking Member Frank Pallone (D-NJ), and Oversight Subcommittee Ranking Member Diana DeGette (D-CO), sent a letter to drugmaker Ther-Rx about the company's recent decision to raise the price on the preterm birth prevention drug Makena. A copy of the letter can be [here](#).