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HEALTH CARE REFORM UPDATE

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Implementation of the Affordable Care Act (ACA)

West Virginia Governor Earl Ray Tomblin (D) signed legislation on April 4th to authorize the creation of a health insurance exchange within the insurance commissioner's office. Gov. Tomblin's move makes West Virginia the second state behind California to authorize an exchange. On April 8th New Mexico Governor Susana Martinez (R) vetoed a bill passed by her state legislature authorizing an exchange.

On April 4th four House Democrats signed on as co-sponsors to the House measure introduced by Rep. Peter Welch (D-VT) mirroring the Senate's bipartisan Wyden-Brown bill. The bill moves up state innovation waivers to 2014 instead of the 2017 deadline under the ACA for implementing state reforms in lieu of federal requirements for businesses and individuals. More on the legislation can be found [here](#).

The Centers for Medicare and Medicaid Services (CMS) announced on April 4th that 129 new mini-med waivers were issued in March bringing the total to 1,168. The Center for Consumer Information & Insurance Oversight (CCIIO) noted that 95% of the waivers were "employment related." The release can be found [here](#).

On April 4th New York Governor Andrew Cuomo (D) wrote a letter to Congressional leaders explaining why his plan to redesign the state's Medicaid program will not restrict eligibility and why states already have all the flexibility they need to assure Medicaid growth can be controlled without limiting access. As state leaders across the country continue to assess the liabilities placed on state coffers by the Medicaid program, especially due to the program's expansion and Maintenance of Effort (MOE) requirements in the ACA, Gov. Cuomo has been one of the more active governors attempting to tackle mounting deficits and recently announced his plan to overhaul the state's program.

Joel Ario, the director of the Office of Health Insurance Exchanges in the Center for Consumer Information and Insurance Oversight, participated in a briefing on Capitol Hill on April 4th along with state stakeholders to discuss the developments in the states regarding the establishment of health insurance exchanges. Under the ACA, if states decline to set up exchanges, the federal government will operate the exchanges for them.

On April 4th Sens. John Thune (R-SD) and Lindsey Graham (R-SC) introduced a bill to repeal the ACA's CLASS program that has recently come under fire from both sides of the aisle. The Thune-Graham legislation mirrors legislation already introduced in the House by Rep. Charles Boustany (R-LA) and quickly picked up 28 co-sponsors, all Republicans.

On April 5th the Senate voted to repeal the ACA's 1099 tax reporting requirements. The measure passed the Senate 81-12 and is the same as passed in the House, allowing it to go directly to the White House to be signed by the president.

The House Energy & Commerce Committee marked up and voted to report five bills out of committee on April 5th. The bills were all designed to defund portions of the ACA and were approved on strictly party-line votes. More information on the legislation can be found [here](#).

On April 6th Geisinger along with Kaiser Permanente, Mayo Clinic, Group Health Cooperative and Intermountain Healthcare announced a Care Connectivity Consortium, an Accountable Care Organization (ACO) proto-type. The leaders from the new consortium came together in the aim to share patient data to better serve patients who may travel outside the realm of their health system. The press release can be found [here](#).

The Department of Justice filed a brief on April 8th in response to one filed by Virginia Attorney General Ken Cuccinelli (R) in the Virginia case against the ACA in the 4th Circuit Court of Appeals. In the brief the government argues that Virginia lacks the standing to challenge in the individual mandate as well as that the individual falls within Congress' commerce and taxing authority.

Other HHS and Federal Regulatory Initiatives

On April 4th CMS reported that payment to Medicare Advantage (MA) plans would rise by 0.4 percent in 2012. According to CMS, the lower-than-expected reimbursement payments for the year will be highly variable because there is also a demonstration project that MA plans can participate in to receive star ratings that are tied to bonus payments. The CMS release can be found [here](#). The same day, CMS also set the parameters around the "doughnut hole" in Medicare's prescription drug benefit paying 75 percent of the cost for prescription drugs up to \$2,930, and it will pick up 95 percent of the tab after \$4,700.

The FDA launched a new website on April 4th that will allow consumers to search for food recalls. The new website can be found [here](#).

On April 6th CMS launched a new website allowing consumers to gather more information about how often patients acquire infections, develop bed sores, or are otherwise harmed in hospitals. The website, Hospital Compare, can be found [here](#).

HHS announced the release of \$311 million to states to help low-income populations meet their energy needs under the Low-Income Home Energy Assistance Program (LIHEAP). HHS' announcement can be found [here](#).

On April 8th Dr. Farzad Mostashari was named to succeed Dr. David Blumenthal as head of the Office of the National Coordinator for Health Information Technology at HHS. Dr. Mostashari's appointment comes as incentive payments for the adoption of electronic medical records are just beginning. His biography can be found [here](#).

On April 8th HHS released an action plan and a stakeholder strategy plan to reduce racial and ethnic health disparities which included improved data availability, coordination, utilization and diffusion of research and outcomes. The plan can be found [here](#).

Other Congressional Initiatives

On April 4th House Republicans introduced the latest version of their continuing resolution (CR) to fund the government through the rest of the 2011 fiscal year as the final week before a government shutdown if no agreement was reached before midnight on April 8th. That CR can be found [here](#). Over the course of the week,

the White House, House Republican leaders, and Senate Democratic leaders continued to negotiate with a compromise being reached just before the deadline on April 8th. Senate Majority Leader Harry Reid's (D-NV) statement on the agreement can be found [here](#).

Forty one Senators signed on to a letter sent to Majority Leader Reid and Minority Leader Mitch McConnell (R-KY) on April 4th opposing the original Republican House-passed CR for eliminating funding for Planned Parenthood and Title X. In the letter led by Sen. Barbara Boxer (D-CA), the Senators promised to filibuster any attempts to push what they claim is an "extreme" agenda. The number of Senators is significant since 60 Senators are required to override a filibuster. Sen. Boxer's press release can be found [here](#).

On April 5th House Budget Committee Chairman Paul Ryan (R-WI) introduced his FY 2012 Budget proposal that includes a plan to turn the federal share of Medicaid funding into a block grant, and starting in 2022 that would turn Medicare into a "premium support" program that would give patients a choice of private insurance plans and subsidize the plans directly. The full proposal, which was approved by the Budget Committee one day later on a party-line 22-16 vote, can be found [here](#). The same day, the leadership of the Republican Governors Association wrote a letter to Chairman of the House Budget Committee Paul Ryan expressing support for his proposed budget plan which contains changes to the Medicaid program. A copy of the letter can be found [here](#). Meanwhile, 16 Democratic governors came out strongly against the proposal. A preliminary analysis of Chairman Ryan's proposal by the CBO can be found [here](#).

The House Oversight Subcommittee on Health Care held another hearing on April 5th on the incidence of waste, abuse, and fraud in federal health programs. More information on the hearing can be found [here](#).

On April 6th the House Energy & Commerce Committee held a hearing on Rep. Phil Gingrey's (R-GA) legislation to overhaul the nation's medical liability system. More information on the hearing can be found [here](#).

On April 8th Senators Chuck Grassley (R-IA) and Ron Wyden (D-OR) introduced legislation to allow Medicare payments to be made public. The bill would call for HHS to develop a searchable Medicare payment database that the public can access at no cost. The text of the bill as introduced can be found [here](#).