

NEWSSTAND

Healthcare Update: Healthcare News From Capitol Hill and The Department of Health and Human Services

November 8, 2010

[Leslie J. Levinson](#), [Edward Eynon](#)

IMPACT OF THE ELECTION ON HEALTHCARE REFORM:

The November 2 midterm congressional elections resulted in a change in leadership in the House of Representatives, where Republicans are poised to take control of the chamber when the 112th Congress convenes in early January 2011.

In the days immediately following the election, Speaker-in-waiting John Boehner (R-OH) has made clear that House Republicans intend to pursue a strategy to roll back key pieces of the new healthcare law – the Patient Protection and Affordable Care Act (PPACA).

While an exact timeline and legislative strategy remains unclear, the new leadership could focus on an appropriations strategy that aims to de-fund the portions of the law it opposes, such as the individual insurance mandate, the employer mandate, and the new health advisory councils. In addition, the House could attempt to pass legislation that repeals all or portions of the law – though such efforts would face an uncertain fate in the Senate (where Democrats remain in control), and would almost surely be met by the President's veto pen.

As new Congress organizes itself and convenes in January, we will closely monitor any efforts to amend the PPACA.

HHS “EARLY INNOVATOR” GRANTS ANNOUNCED:

In late-October, the Department of Health and Human Services (HHS) announced state grants to design and implement information technology in order to operate health insurance exchanges. Created by the new healthcare reform law in order to assist individuals and small business in shopping for health insurance, the exchanges are currently under development and are due to be operational in 2014.

Known as “early innovator” grants, the competitive program will award funding to as many as five states by mid-February 2011. According to HHS’ Office of Consumer Information and Insurance Oversight (OCIIO), “...states that are willing and able to lead the race to develop IT systems will be able to obtain federal funding.” The OCIIO also stressed the need for the systems to be consumer-friendly, saying that they must allow individuals and small businesses to compare insurance options, determine their eligibility for programs, enroll in policies and receive any eligible tax credits or cost-sharing assistance.

HHS believes this early innovator grant program will increase quality, speed up implementation and enhance collaboration among states and within federal agencies. In addition to the early innovator program, all states will be eligible for additional grants to establish their exchanges, which will be announced in February 2011.

ADDITIONAL GRANTS ANNOUNCED FOR PRIMARY & PREVENTATIVE CARE:

Also in the last week of October, HHS announced the availability of grants for health information centers and community health centers.

Funding for family-to-family health information centers – which are non-profit entities run by families for families of children with special needs – was extended through 2012 in the PPACA. The \$3.9 million in funding announced by HHS will allow the centers to assist families in meeting their children's needs by providing education, training, outreach, peer support and additional information. Applications are due by December 15, 2010.

Existing community health centers will have the opportunity to apply for funding in order to expand primary and preventative care services, such as dental, vision, pharmacy benefits and behavioral health services. The \$335 million in grants to expand such services are part of the \$11 billion contained in the new healthcare law to build new community health centers in underserved areas and to expand services at existing centers. Applications are due by January 6, 2011.

NEXT STEPS:

As the lame-duck congressional session convenes in mid-November and as congressional leaders organize their parties for the 112th Congress, we continue to follow news from Capitol Hill. In addition, we continue to monitor HHS and other agencies, as the implementation of healthcare reform moves forward and other related matters arise. We will provide timely updates as such developments occur.

Edwards Angell Palmer & Dodge LLP is pleased to provide regular updates on issues affecting the Healthcare industry. Our lawyers not only provide sophisticated legal services to a broad array of clients in the healthcare industry, we also monitor and analyze federal and state legislative and regulatory processes to ensure that our clients are informed of government actions and initiatives.

Should you have any questions on the content of this advisory, or wish to discuss any other healthcare related issue, please contact those listed below or call the Edwards Angell Palmer & Dodge LLP attorney responsible for your affairs.

Les Levinson, Partner, Chair, Healthcare Practice	212.912.2772	llevinson@eapdlaw.com
Teddy Eynon, Partner, Public Policy & Government Relations	202.478.7379	teynon@eapdlaw.com