



ML
STRATEGIES

Tom Koutsoumpas, TKoutsoumpas@mlstrategies.com
Jeremy Rabinovitz, JRabinovitz@mlstrategies.com
Alexander Hecht, AHecht@mlstrategies.com
Kevin M. Kappel, KMKappel@mlstrategies.com
Benjamin J. Schorr, BJSchorr@mlstrategies.com

ML Strategies, LLC
701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004 USA
202 434 7300
202 434 7400 fax
www.mlstrategies.com

HEALTH CARE REFORM UPDATE

June 21, 2011

Implementation of the Affordable Care Act (ACA)

On June 13th the House Energy & Commerce Subcommittee on Health announced that the hearing on the Independent Payment Advisory Board (IPAB), originally scheduled for the next day, had been rescheduled to July 13th. The announcement can be found [here](#).

On June 13th New York Governor Andrew Cuomo (D) introduced a competing health exchange bill to that already in the state legislature. The governor's bill aims to give greater bargaining powers than the legislation that was proposed by the state Senator James Seward (R). Neither bill has been formally introduced in the state legislature. More information about the bills can be found [here](#).

On June 13th Assistant Secretary for Planning and Evaluation at HHS Sherry Glied noted in testimony before the House Energy & Commerce Subcommittee on Oversight that the essential benefits package proposed rule would likely be out this fall in October or November. More information on that hearing can be found [here](#).

On June 14th the Government Accountability Office (GAO) released a report on the annual limit waivers being issued by HHS. The report showed that HHS has approved 1,372 applications for waivers while only rejecting 65 applications. The number of organizations seeking waivers has been a source of criticism from Republicans in Congress who oppose the annual limit restrictions and believe they will result in employers deciding not to cover their employees. The report can be found [here](#).

On June 14th Vice Chairman of the Senate Republican Conference John Barrasso (R-WY) distributed talking points during the Senate GOP Caucus lunch referring to the IPAB as the "road to rationing" health care for Americans. The Senator's talking points can be found [here](#).

On June 15th Sen. Kay Bailey Hutchinson (R-TX) introduced an amendment to the Economic Development Act to repeal the \$2,500 spending cap on flexible spending accounts (FSAs) included in the ACA. The amendment also removed the requirement that patients get a prescription for over the counter drugs if they are paying for them with their health savings accounts or FSAs. The Senator's press release can be found [here](#).

On June 16th key Members of the Obama administration and Sen. Tom Harkin (D-IA), Chairman of the Senate HELP Committee, announced the release of the National Prevention and Health Promotion Strategy developed by the National Prevention Council and called for under the ACA. The HHS press release can be found [here](#).

On June 17th HHS updated the list of organizations that have received mini-med waivers on the annual limit restrictions in the ACA and those that have been turned down. That same day, HHS also announced they will be granting such waivers through 2013 and will be accepting applications for such waivers until September 22nd of this year.

Other HHS and Federal Regulatory Initiatives

On June 13th the Food and Drug Administration announced that Potiga tablets have been approved as an additional treatment for partial seizures associated with epilepsy in adults. Potiga is the first drug treatment of its kind developed for the treatment of epilepsy. The FDA news release can be found [here](#).

On June 14th the GAO released a report about HHS comparative effectiveness research (CER) awards. The report showed the relative progress of the CER awards granted through the American Recovery and Reinvestment Act of 2009 and the ACA. The report can be found [here](#).

On June 15th the Congressional Budget Office (CBO) released a number of policy options to help fix the sustainable growth rate (SGR) Medicare reimbursement formula for physicians. The SGR is currently estimated to cut payments to doctors who see Medicare patients by 29.4 percent in January 2012. The report can be found [here](#).

On June 15th MedPAC released its June 2011 report to Congress. In the report, MedPAC focused on key challenges facing the Medicare program including payment reform, ancillary services, coordinating care for dual-eligible beneficiaries, and federally qualified health centers. The press release can be found [here](#), and the full report can be found [here](#). That same day, MACPAC issued a report on Medicaid managed plans including data on enrollment, spending, and program features. That report can be found [here](#).

On June 16th CMS released a newly proposed rule on Community Mental Health Centers outlining new standards for workers and stricter conditions of participation requirements for the centers for enrollment under Medicare. The comment period on the rule will be open until August 16th. The proposed rule can be found [here](#).

On June 16th HHS announced \$4 million in community health grants for national networks of community based organizations to support recipients of the Community Transformation Grants. The press release can be found [here](#).

On June 17th CMS announced that it was contracting with Northrop Grumman to develop new fraud detection technology designed to target, and deny, fraudulent claims before they are paid out.

Other Congressional and State Initiatives

On June 13th Sens. Tom Coburn (R-OK) and Richard Burr (R-NC) sent a letter to leaders of medical device and pharmaceutical associations. The Senators asked for insight from these groups and whatever input they could offer as to how to streamline regulations to promote innovation as the groups negotiate the next FDA user agreement. The two sought a proposal that would recalibrate the FDA's role in fostering innovation that weighs risks and benefits in a balanced manner.

On June 15th the House of Representatives voted down amendments offered by Reps. Virginia Foxx (R-NC) and Paul Broun (R-GA) to institute significant cuts in the services offered by the Women, Infants and Children supplemental food program.

On June 15th several House Democrats including Reps. Gerry Connolly (D-VA) and John Yarmuth (D-KY) insisted House Republicans were censoring materials related to House Budget Committee Chairman Paul Ryan's

(R-WI) plan to overhaul Medicare via the Franking Commission, a bipartisan panel established to ensure that Congressional correspondences were free of political propaganda that reviews mailings and other communications from Member offices.

On June 16th the House Energy & Commerce Subcommittee on Oversight announced a hearing for June 22nd on the Medicare Secondary Payer system. More information on the hearing can be found [here](#).

On June 16th the House of Representatives voted down an amendment from Rep. John Dingell (D-MI) restoring \$49 million of the cuts proposed by the House Appropriations Committee to the FDA's food safety budget. Congressman Dingell has been a long-time proponent of overhauling our nation's system of monitoring food safety and was a chief proponent of the food safety overhaul legislation in the last Congress.

On June 16th Rep. Henry Waxman (D-CA), Ranking Member of the Energy & Commerce Committee, announced that Rep. Kathy Castor (D-FL) would be taking former Rep. Anthony Weiner's (D-NY) position on the House Energy and Commerce Committee.

On June 16th 67 House Democrats sent a letter to House Speaker John Boehner (R-OH) insisting that any budget deal reached must allow Medicare to negotiate bulk discounts on prescription drug prices. The letter can be found [here](#).

On June 16th the Senate Finance Committee announced a hearing on Medicare and Medicaid cuts and their role in the reduction of the federal deficit. The hearing is scheduled for June 23rd. More information on the hearing can be found [here](#).