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HEALTH CARE REFORM UPDATE

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Implementation of the Affordable Care Act (ACA)

On June 6th House Republican Policy Committee Chair Tom Price (R-GA) introduced H.R. 2077, legislation to repeal the medical loss ratio (MLR) requirements in the ACA. The Congressman's press release on the introduction of the bill can be found [here](#).

On June 6th the Department of Health and Human Services (HHS) announced it was launching a demonstration project to help promote patient centered medical homes with support from the ACA. The demonstration provides for \$42 million over three years to fund health centers implementing a medical home model and care coordination for up to 195,000 Medicare patients. The HHS press release on the Federally Qualified Health Center Advanced Primary Care Practice (FQHC APCP) demonstration project can be found [here](#).

On June 6th Thirty-two House Republican members sent a letter to HHS Secretary Kathleen Sebelius asking for a report by the Secretary by June 15th on all types of ACA waivers. The letter requests information on the waivers that have been denied and those that are still pending. The letter can be found [here](#).

On June 6th the Associated Press reported that a Montana nonprofit group that includes the former state auditor John Morrison is planning to apply for federal funding to offer a health insurance alternative to large health insurers. The group would form a co-op, and as stated by the group, will try to offer low-cost insurance by 2013 or 2014. The report can be found [here](#).

On June 6th the House's Health Care Innovation Task Force chaired by Reps. Allyson Schwartz (D-PA) and Kathy Castor (D-FL) sent a letter with comments on the Accountable Care Organization (ACO) rule to CMS Administrator Don Berwick. The comments offered some support for the rule and included concerns with the rule along with recommendations to strengthen it. The executive summary can be found [here](#) and the comments can be found [here](#).

On June 6th MedPAC sent a comment letter with six recommendations meant to simplify the ACO program and reduce uncertainty. MedPAC agreed with many providers that exposing providers to the risk of losses in the first three years is a bad idea but disagreed with providers on the current savings thresholds. The letter can be found [here](#).

On June 6th The American Medical Group Association also wrote a letter to CMS with comments about the proposed ACO rule. The group expressed concerns with the current iteration of the rule but said they were hopeful for the design based on the Pioneer ACO program. In the letter they discussed a variety of changes to the governance and shared savings aspects of the program. The letter can be found [here](#).

On June 7th CMS issued minor corrections to the Pioneer ACO request for applications in the Federal Register. The errors were technical and typographical errors and the corrections can be found [here](#).

On June 7th the Integrated Healthcare Association sent CMS a letter detailing comments and recommendations on the ACO rule. The letter said that the proposed performance measurement requirements are too burdensome for newly-formed ACOs; CMS's reliance on multiple sources of data will enhance data reliability and provider trust in ACO performance measurement; and that performance scoring is a good approach but should reward both attainment and improvement to incentivize performance across ACOs. The letter can be found [here](#).

On June 7th HHS announced the availability of about \$40 million of ACA funds to strengthen chronic disease prevention programs in state and territories. The initiative targets the nation's five leading chronic disease-related causes of death and disability: heart disease, cancer, stroke, diabetes, and arthritis. The press release by HHS can be found [here](#).

On June 8th the International Foundation of Employee Benefit Plans released the results of a survey that says employers are more likely to shift costs to their workers as costs for health care go up by making them pay higher deductibles and more of the premiums as a result of the ACA. The press release by the group can be found [here](#).

On June 8th CMMI held an Open Door Forum at which they announced they were extending the deadline for applicants interested in becoming Pioneer ACOs to send in letters of intent and applications. Letters of intent will now be due on June 30th and applications will have to be post marked by August 19. The changed dates and more information on the Pioneer ACO applications can be found [here](#).

On June 8th the 11th Circuit Court of Appeals heard oral arguments in the lawsuit against the federal government on the constitutionality of the ACA. If the court rules against the 26 states in the suit, Florida Attorney General Pam Bondi (R) indicated the group will attempt to take the suit directly to the Supreme Court rather than to the full Appeals Court.

On June 9th the New York state exchange bill was introduced by its original sponsor, State Senator James Seward (R). The bill establishes an exchange in accordance with the ACA passed in 2010. The text of the bill can be found [here](#). On June 13th, New York Governor Andrew Cuomo (D) put forth an alternative bill that would give the marketplace more bargaining powers.

On June 9th the Alabama state Senate approved a 2012 ballot initiative calling for an amendment to the state constitution to let Alabama opt out of the federal health care law. The state House approved the same measure in April. Details on the vote can be found [here](#).

Other HHS and Federal Regulatory Initiatives

On June 7th the American Hospital Association wrote in a letter to president Obama asking him to extend subsidies for the treatment of illegal immigrants in the reform legislation being considered by the White House. The subsidy for uncompensated care under the Medicare Modernization Act expired in 2008 and the estimated cost of uncompensated care is \$40 billion a year. The letter can be found [here](#).

On June 8th the American Hospital Association sent a letter to CMS asking them to revise its proposed inpatient prospective payment system rule for FY2012 to reduce the proposed documentation and coding offset. The letter can be found [here](#).

On June 8th the Office of the National Coordinator for Health IT (ONCHIT) announced the launch of the Investing in Innovations (i2) Initiative that uses a combination of prizes and competitions to promote key advances in the field of health IT. The HHS announcement can be found [here](#).

On June 8th a work group of the Health Information Technology Policy Committee suggested to ONCHIT that the office put in place a one-year delay in the implementation of stage-2 criteria of achieving ‘meaningful use’ under the electronic medical record incentive program. In the work group’s letter justifying the delay, members wrote that a failure to delay would present an “insurmountable timing challenge” for groups trying to participate.

On June 10th CMS wrote to state Medicaid agencies to inform them that they can offer same-sex couples typical financial and asset protections when a partner goes into a nursing home or care facility as they do with opposite-sex couples in similar situations. The letter can be found [here](#).

Other Congressional and State Initiatives

On June 6th Sen. Debbie Stabenow (D-MI), House Energy & Commerce Committee Chairman Fred Upton (R-MI), and Deputy Assistant Secretary of Commerce Peter Perez joined AdvaMed’s President Steve Ubl for an event in Michigan highlighting a “Competitiveness Agenda” for the medical device industry. Congressman Upton’s press release on the event can be found [here](#).

On June 7th 37 Democratic Senators led by Sen. Jay Rockefeller (D-WV) wrote a letter to President Obama urging the White House not to allow dramatic cuts in the Medicaid program as a part of any deficit reduction deal. The letter says that Senate Democrats are ready to improve state flexibility without compromising the health and well-being of beneficiaries. The letter can be found [here](#).

On June 7th the House Republican Doctor’s Caucus, which includes 18 physicians and three nurses, sent a formal invitation to President Obama to meet and discuss health issues. The President reportedly agreed to such a meeting verbally according to Rep. Phil Roe (R-TN), the lead proponent of repealing the IPAB.

On June 9th twenty-eight Republican Senators sent a letter to CMS Administrator Don Berwick in defense of Indiana’s recently passed state law that plans to defund Planned Parenthood. The letter asks Berwick to reconsider his ruling that the legislation was illegal. The letter can be found [here](#). That same day, the Texas state legislature voted to approve a similar provision defunding Planned Parenthood in addition to expanding Medicaid managed-care plans.

On June 10th Senator Joe Lieberman (I-CT) wrote an op-ed in the Washington Post detailing his plan for Medicare savings. The plan slowly raises the age of eligibility, combines Part A and B deductibles, raises premiums for new enrollees, limits Medigap coverage, and raises taxes on people earning more than \$250,000. Senator Lieberman expressed a desire to have his proposal considered as an alternative that may be able to gain the support of both Republicans and Democrats in the ongoing debate addressing our nation’s deficits. The op-ed can be found [here](#).

On June 10th Sens. Bob Casey (D-PA) and Richard Burr (R-NC) co-authored a letter to Senate appropriators asking for the group to spare the National Institutes of Health (NIH) from major budget cuts as the Appropriations Committee works on trimming the country’s spending levels. A copy of the letter can be found [here](#).