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## HEALTH CARE REFORM UPDATE

May 21, 2012

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

On May 15<sup>th</sup> HHS launched a new web-based tool to track the performance of the nation's health care system. The tool provides access to data from across federal agencies on a number of topics, such as access to care, cost and affordability, prevention and health information technology. An HHS News Release can be found [here](#).

On May 16<sup>th</sup> HHS' Center for Consumer Information and Insurance Oversight (CCIIO) made several announcements and released documents related to the ACA's Health Insurance Exchanges. First, the Department announced that six states will receive more than \$181 million in grants to help implement Exchanges. CCIIO also released a document providing an outline of how it intends to run a federally-facilitated Exchange in states that do not choose to run their own. Finally, it also released a draft "blueprint" showing what states seeking to run their own exchanges will be required to demonstrate in order to get approval. An HHS press release can be found [here](#). The guidance document on federally facilitated Exchanges can be found [here](#). The blueprint for state-based Exchanges can be found [here](#).

On May 18<sup>th</sup> the IRS released final regulations implementing the ACA's premium tax credit provisions. The rules address a number of issues related to the credits, including how eligibility will be determined, how the IRS will handle transitions between eligibility and ineligibility, and how advanced payments will be reconciled with the actual amount of the credit. The regulations do not address the controversial issue of whether and when dependents of individuals who are offered self-only coverage through an employer will be eligible for the tax credits. The regulations can be found [here](#).

On May 18<sup>th</sup> CMS announced that it would provide startup loans to two new Consumer Oriented and Operated Plans (CO-OPs) under an ACA program: \$65.9 million to Hospitality Health CO-OP in Nevada and \$71.5 million to Michigan Consumer's Healthcare CO-OP in Michigan. This brings the total number of CO-OPs funded under the program to twelve. Details on those and other funded CO-OPs are [here](#).

### Other HHS and Federal Regulatory Initiatives

On May 15<sup>th</sup> HHS released its final version of its National Plan to Address Alzheimer's Disease. The HHS document can be seen [here](#). A White House Blog report is [here](#). An HHS press release can be found [here](#).

On May 18<sup>th</sup> the CMS Office of the Actuary [posted](#) its “alternative projection” of cost growth in Medicare. Unlike the 2012 Medicare trustees report, the alternative does not assume current law, including SGR cuts and productivity adjustments, remains in place. It finds that Medicare spending would climb to nearly 10 percent of gross domestic product by 2080. The 2012 trustees report projects it would be 6.7 percent — a difference of nearly 50 percent.

### Other Congressional and State Initiatives

On May 16<sup>th</sup> House Energy & Commerce Subcommittee on Oversight & Investigations Chairman Cliff Stearns (R-FL) released a new memo concluding that several high-profile White House officials secretly met and struck a “backroom” deal with the pharmaceutical trade industry group, PhRMA, as part of health care reform negotiations. The release criticizes the White House for what it claims is a lack of transparency. The Committee press release can be found [here](#), and the report can be found [here](#).

On May 17<sup>th</sup> The White House released a statement saying it “strongly supports” passage of the Senate FDA user fee bill making its way through the Senate. The legislation is expected to proceed to the Senate floor this week. The White House statement can be found [here](#).

On May 17<sup>th</sup> Massachusetts Senate easily passed a health cost control bill. An Associated Press story can be found [here](#). Local news coverage can be found [here](#).

On May 17<sup>th</sup> the full House Appropriations Committee approved a State Department funding bill cutting off all funding to non-governmental organizations, including the United Nations Population Fund, which perform or promote abortions. News coverage can be found [here](#), and the Committee press release – along with the details of the full package – can be found [here](#).

On May 17<sup>th</sup> House Speaker John Boehner (R-OH) issued a statement reaffirming House Republicans' position favoring full repeal on the Affordable Care Act. The statement can be found [here](#).

On May 18<sup>th</sup> Senate Commerce Committee Chairman Jay Rockefeller (D-WV), HELP Committee Chairman Tom Harkin (D-IA) and Representative Elijah Cummings (D-MD), ranking member on the House Oversight Committee, sent a letter to pharmaceutical drug distributor H.D. Smith asking it to explain its distribution of “gray market” short-supply drugs. The letter can be found [here](#).

### Other Health Care News

On May 16<sup>th</sup> the New England Journal of Medicine released a new report showing that the FDA actually had significantly faster approval times for new drugs than similar regulatory agencies in Canada and in Europe. The FDA is frequently criticized publicly for being too slow in approving new medicines. A copy of the report can be found [here](#).

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On May 17<sup>th</sup> the Information Technology and Innovation Foundation and United for Medical Research issued a report urging a \$40 Billion NIH budget to keep the U.S. ahead of China in biomedical research and development as the Chinese prepare to invest \$309 billion over the next five years in biotechnology. The report can be found [here](#).

#### Hearings & Mark-ups Scheduled

##### *Senate*

On May 23<sup>rd</sup> the Senate Finance Committee will be holding a hearing titled “Progress in Health Care Delivery: Innovations in the Field.” More information can be found [here](#).

##### *House of Representatives*

The House of Representatives is in recess this week.