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HEALTH CARE REFORM UPDATE

January 22, 2013

Leading the News

On January 21st President Obama gave his second Inaugural Address on the west steps of the U.S. Capitol. He did not specifically mention the Affordable Care Act (ACA) by name but he did touch on the need to look at reforming entitlement programs. The President stated that hard choices on entitlements must be made, but America must not avoid caring for its seniors in an effort to invest in a younger generation. The President said commitments like Medicare, Medicaid, and Social Security make America stronger. The entire speech can be found [here](#).

Implementation of the Affordable Care Act

On January 11th North Dakota Governor Jack Dalrymple (R) said that Medicaid expansion should be pursued in the state, even if the ACA is unpopular. The North Dakota House heard testimony on the governor's proposed plan and must vote on its approval. An article with statements from Gov. Dalrymple's office is available [here](#).

On January 14th *Governing* magazine reported that 11 states have still not passed legislation complying with major provisions of the ACA. The other 39 states have passed ACA-related statutes into the state code. Even if the remaining states refuse to pass ACA legislation, the Centers for Medicare and Medicaid Services (CMS) would ultimately have authority to enforce reforms. The article on the ACA relationship between the states and the federal government can be read [here](#).

On January 14th Arizona Governor Jan Brewer (R) said in her State of the State address that she supports the expansion of Medicaid. Gov. Brewer indicated that she largely opposes the ACA, but the choice to expand Medicaid would provide Arizona with \$1.6 billion in federal funds at a cost of just \$154 million to the state in FY 2015. A full report on expanding Medicaid coverage in Arizona can be found [here](#).

On January 15th Mississippi Attorney General Jim Hood (D) ruled that state Insurance Commissioner Mike Chaney (R) may establish and run a state health insurance exchange, even without the approval of Governor Phil Bryant (R). The opinion stated that the insurance commissioner is free from the veto power of the governor. An article on the situation can be read [here](#).

On January 15th Iowa Governor Terry Branstad (R) provided no funds for Medicaid expansion in his budget recommendations for the state. A spokesman of the governor said an expansion of Medicaid in the state would not guarantee better outcomes or increased health care quality. Gov. Branstad's Condition of the State address and full budget can be read [here](#).

On January 15th Nebraska Governor Dave Heineman (R) presented his budget recommendations to the state legislature. Stressing that expanding Medicaid would cost the state \$72 million, Gov. Heineman opted out of increasing coverage in Nebraska. His complete budget recommendations are available [here](#).

On January 15th Indiana Governor Mike Pence (R) offered his budget recommendations for the 2014 and 2015 Fiscal Years. The budgets did not include any funding for Medicaid expansion, although the state legislature will vote on whether to accept provided federal funding for an expanded Medicaid program. The proposed budgets from Gov. Pence can be viewed [here](#).

On January 15th AARP and the AFL-CIO urged passage of the Physician Payments Sunshine Act, which requires drug and medical-device companies to disclose information about gifts and payments provided to doctors. Seventeen other healthcare advocacy groups have expressed similar sentiments that the Sunshine Act would help eliminate Medicare and Medicaid fraud. An article on the Sunshine Act can be read [here](#).

On January 16th Kansas Governor Sam Brownback (R) offered no funds for Medicaid expansion in his budget report for FY 2014. A spokeswoman for the governor said Brownback would be able to send a Governor's Budget Amendment to the legislature if he changed his mind about Medicaid expansion. The entire proposed budget can be viewed [here](#).

On January 17th the CMS Center for Consumer Information and Insurance Oversight (CCIIO) announced that 11 states received federal grants to assist in the building of health exchanges, with California receiving a grant of \$673.7 million. Four other states received multiyear awards and six states, including four planning partnership exchanges, received one year grants. All the awards from CCIIO can be found [here](#).

On January 17th Georgia Governor Nathan Deal (R) gave his State of the State address and noted that it would be inappropriate to expand the state's Medicaid system by 620,000 beneficiaries with Georgia already spending \$2.5 billion on the program annually. Gov. Deal asked the legislature to authorize the Board of Community Health to apply to hospitals the same provider fee that is placed on nursing home care. The governor also proposed a 2% increase in state employee health premiums due to costs of the ACA. Gov. Deal's speech can be viewed [here](#). The proposed budget is available [here](#).

Other HHS and Federal Regulatory Initiatives

On January 14th CMS released a proposed rule on Medicaid, the Children's Health Insurance Program (CHIP) and the development of health insurance marketplaces. The proposed rule promotes consistent policies and processes for eligibility notices and appeals in Medicaid, CHIP, and Exchanges and gives states more flexibility when operating their Medicaid programs. The rule also includes information on how consumers will receive communications on eligibility determinations and can appeal eligibility determinations. The actual rule can be found [here](#). A press release from HHS is available [here](#).

On January 15th the HHS Office of the National Coordinator for Health IT (ONC) announced winners of a challenge meant to find the best designs of printed health records that could help patients understand electronic health records (EHRs). The challenge, which included over 230 submissions, is part of ONCs Investing in Innovation (i2) Initiative. A release from HHS is available [here](#).

On January 16th President Obama issued three Presidential Memoranda and initiated twenty-three Executive Actions on new gun control measures that include closing background check loopholes, increasing access to mental health services, and the tracing of firearms in connection to criminal investigations. The memoranda are available [here](#). The Executive Actions can be viewed [here](#). Also a Pew Research poll, which indicates an 80% approval nationwide of preventing the mentally-ill from purchasing guns, can be found [here](#).

On January 17th the Federal Trade Commission (FTC) reported a record number of settlements in FY 2012 in which brand name drug companies paid generic suppliers in order to decrease competition. Forty final settlements involved the process known as "pay for delay," in which generic products are withheld from the market. The (FTC) report can be read [here](#).

On January 17th the HHS Office for Civil Rights (OCR) released a final rule that modifies the Health Insurance Portability and Accountability Act (HIPAA). OCR Director Leon Rodriguez said the rules represent the most sweeping changes to HIPAA since it was first implemented. Through the new rule, patients may request their electronic medical record (EMR) in electronic form, and individuals who pay in cash can choose not to share information about their treatment with their health plan. The final rule can be found [here](#). A press release from HHS is available [here](#).

On January 18th the National Alliance of State Health Co-Ops (NASHCO) sent a letter to HHS Secretary Kathleen Sebelius asking for loan funding for over 40 Co-Ops. The Co-Ops were initially created to promote competition in states' health insurance markets under the ACA, but *the American Taxpayer Relief Act (ATRA)* eliminated any unobligated funds to the loan program. The letter from NASHCO can be read [here](#).

Other Congressional and State Initiatives

On January 15th Representative Kevin Brady (R-TX) was announced as the new Chairman of the House Ways and Means Health Subcommittee for the 113th Congress. Rep. Brady is a strong opponent of the ACA. An announcement on Rep. Brady's new position is available [here](#). The same day, Democrats on Ways and Means selected subcommittee members and appointed Representative Jim McDermott (D-WA) as Ranking Member of the Subcommittee on Health. Full Democratic subcommittee assignments can be found [here](#).

On January 16th twenty states and the National Rural Health Association (NRHA) wrote a letter to President Obama which noted concern over Sec. 3141 of the ACA. The letter referenced a *Boston Globe* article which highlights how one rural Massachusetts hospital is able to provide over \$250 million to other hospitals in the state. The 20 states and the NRHA say provision that allow for system manipulations should be eliminated. The *Globe* article can be read [here](#). A response from the Massachusetts Hospital Association is available [here](#).

On January 17th Representative Elijah Cummings (D-MD), Ranking Member of the House Oversight and Government Reform Committee, announced that Representative Jackie Speier (D-CA) will serve as the Ranking Member of the newly-created Subcommittee on Energy Policy, Health Care, and Entitlements. An announcement can be found [here](#).

Other Health Care News

On January 14th NARAL Pro-Choice America chose Ilyse Hogue as its new president. Hogue will replace Nancy Keenan, who served for eight years and retired with the hope that a new leader would inspire younger generations. A release from the organization is available [here](#).

On January 14th the American Medical Association (AMA) and the Federation of American Hospitals sent letters to the HHS ONC that encouraged the Obama administration to delay its electronic health records (EHR) “meaningful use” program. The AMA and the Federation of American Hospitals said additional time is required to implement policies of the first two stages before moving on to Stage 3. The AMA letter can be read [here](#). The Federation’s letter is available [here](#).

On January 15th the Trust for America’s Health (TFAH) released a report that pushes for reauthorization of the Pandemic and All-Hazards Preparedness Act (PAHPA). TFAH and the Food and Drug Administration (FDA) have suggested that the United States must have a more reliable stream of flu vaccinations in order to prepare for harder flu seasons. The TFAH report is available [here](#).

Hearings and Mark-Ups Scheduled

House of Representatives

On January 22nd the House Energy and Commerce Committee held a markup and passed three health bills through the Committee. The first bill reauthorizes support for graduate medical education (GME) programs in children’s hospitals. The second provides grants to states so they can make it easier for veterans with military emergency medical training to become civilian EMTs. And a third would allow the National Institutes of Health (NIH) to award grants for pediatric research — especially research on rare children’s diseases.

On January 22nd the House Ways and Means Committee held a hearing on the statutory debt limit. More information can be found [here](#).

Senate

On January 24th the Senate HELP Committee will conduct a hearing “Assessing the State of America’s Mental Health System.” More information can be found [here](#).