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HEALTH CARE REFORM UPDATE January 14, 2013

Implementation of the Affordable Care Act

On January 7th Florida Governor Rick Scott (R) met with HHS Secretary Kathleen Sebelius to discuss Florida's health care exchange and potential expansion of Medicaid. Gov. Scott said the conversation was productive but indicated he also needs additional information to make a final decision on Medicaid and the health care exchange in his state. An article on the conversation is available [here](#).

On January 7th nine insurance companies indicated they will be part of the health insurance exchange in Connecticut and offer either medical or dental plans. Companies that will offer insurance include Aetna, Blue Shield in Connecticut, ConnectiCare, and UnitedHealthcare. Full details on the Connecticut exchange are available [here](#).

On January 9th New Mexico Governor Susana Martinez (R) announced that her state will expand its Medicaid program. The expansion will provide coverage for up to 170,000 adults who individually earn less than \$15,400 a year. An article from the Associated Press on the expansion is available [here](#).

On January 10th HHS announced the creation of 106 new Accountable Care Organizations (ACOs) in the new Medicare Shared Savings program launched by the ACA. HHS Secretary Kathleen Sebelius noted that as many as 4 million Medicare beneficiaries will receive care under the newly formed organizations. The HHS release can be found [here](#).

On January 14th the Center for Medicare and Medicaid Services (CMS) released a proposed rule implementing several provisions of the ACA including addressing essential health benefits in alternative benefit plans, Medicaid and CHIP eligibility notices, Medicaid premium and cost-sharing requirements, and eligibility for the new health insurance exchanges. A fact sheet on the proposed rule can be found [here](#).

Other HHS and Federal Regulatory Initiatives

On January 7th CMS reported that health care spending in the U.S. grew by 3.9% in 2011. Health care spending has grown by 3.9% the last three years and currently stands at \$2.7 trillion, or 17.9% of GDP. A summary of the report from the CMS Office of the Actuary is available [here](#).

On January 7th the Department of Justice (DOJ) announced that an operator of a Michigan adult day care center pleaded guilty to charging Medicare more than \$13 million for services that were never performed by the center. Medicare paid nearly \$4.8 million of the claims. Marcus Jenkins faces a maximum of 60 years in prison and a \$1.5 million fine. The release from DOJ is available [here](#).

On January 8th CMS told officials in Maine that the state would be allowed to cut coverage for nearly 21,000 low-income and elderly residents. The cuts were not as much as Maine Governor Paul LePage (R) had wanted to close a \$20 million budget hole. The governor sought to have 6,500 19- and 20-year-olds cut from coverage and also wanted more parents to be cut from Medicaid. An article on the ruling by CMS can be read [here](#).

On January 9th the FDA released draft guidance to industry stakeholders on the evaluation and labeling of abuse-deterrent opioids as mandated by the FDA user fee law passed in 2012. The guidance can be found [here](#).

On January 10th the FDA and NIH each withdrew direct final rules shielding records of scientific misconduct from being disclosed publicly. The FDA announcement can be found [here](#), and the NIH announcement is [here](#).

Other Congressional and State Initiatives

On January 7th Idaho Governor Butch Otter (R) announced that he will not expand Medicaid in his state. Gov. Otter said in his State of the State address that Medicaid is clearly broken and Idaho must take the time to fix the system correctly. The governor's full statement is available [here](#).

On January 9th Rep. Ed Markey (D-MA) sent recommendations for stricter national gun control laws to Vice President Joe Biden who is organizing a group that will form new gun policies for the Obama administration. Rep. Markey recommends that states should be pushed to submit more detailed mental health records as part of background checks for gun purchases. Additional recommendations from Rep. Markey are available [here](#).

On January 10th Sen. Tom Harkin (D-IA), Chairman of the Senate HELP Committee, and HELP Committee member Sen. Al Franken (D-MN) sent a letter to Vice President Biden calling for the full implementation of the 2008 Mental Health Parity and Addiction Equity Act to address mental health issues as it pertains to gun violence. That letter can be found [here](#). On January 11th Rep. Henry Waxman (D-CA), Ranking Member of the House Energy & Commerce Committee, sent his own letter on mental health issues as well. That letter can be found [here](#).

On January 10th Sens. Max Baucus (D-MT) and Orrin Hatch (R-UT), Chairman and Ranking Member of the Senate Finance Committee respectively, joined fellow Senate Finance Committee members Sens. Tom Coburn (R-OK) and Tom Carper (D-DE) in responding to a new report from the Office of the

Inspector General calling for more aggressive waste, fraud, and abuse prevention efforts in the Medicare Part C and D programs. A copy of the report can be found [here](#).

Other Health Care News

On January 4th National Public Radio reported that internet ratings of doctors are unreliable, largely because few people go online to rate caregivers. One report notes that an average of just 2.4 reviews were provided for a sample of 500 urologists. The NPR story can be read [here](#).

On January 7th the journal *Health Affairs* released a study that indicates the redistribution of residency positions across American hospitals had little impact on primary care training. Relative growth of non-primary care training was twice as great as primary care training and moved potential primary care physicians into subspecialty training. The study can be read [here](#).

On January 8th the Pew Research Center (PRC) released a report indicating that 20 states and DC lack in efforts to improve access to dental care for low-income children. The PRC notes that states failing to invest in child dental care now are simply going to pay more through in the future. The full report from the PRC can be read [here](#).

On January 8th the Kaiser Family Foundation (KFF) released a brief that outlines three new HHS proposed rules released in November. The brief addresses regulations on private insurance markets, essential health benefits and actuarial value, and standards for employer wellness programs. The brief can be read [here](#).

On January 9th the National Research Council and the Institute of Medicine released a report that finds, on average, people in 16 other countries around the world are healthier than their American peers. The study analyzed people younger than 75 in high-income countries across the globe. The full report is available [here](#).

On January 9th Pricewaterhouse Coopers released a summary of the top 10 issues in the health care industry for 2013. Issues include the medical device tax, dual eligibles, and customer reviews of insurers and hospitals. The detailed top 10 can be found [here](#).

On January 10th the Medicare Payment Advisory Commission (MedPAC) met in Washington and advised Congress to repeal and replace the sustainable growth rate (SGR) formula. MedPAC also advised a 1% increase in payments to hospitals for patient services and urged against a payment increase for hospices and long-term care hospitals. A full report on the meeting is available [here](#).

Hearings and Mark-Ups Scheduled

No relevant hearings are currently scheduled for the Senate or the House of Representatives.