



Tom Koutsoumpas, TKoutsoumpas@mlstrategies.com
Jeremy Rabinovitz, JRabinovitz@mlstrategies.com
Alexander Hecht, AHecht@mlstrategies.com
Gary Bacher, GEBacher@mintz.com
Kevin M. Kappel, KMKappel@mlstrategies.com
Robert C. Skinner, RCSkinner@mlstrategies.com
Joshua Booth, JBooth@mintz.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

September 4, 2012

Implementation of the Affordable Care Act (ACA)

On August 31st the IRS released guidance to help employers determine whether employees count as full-time employees for purposes of the ACA's employer shared responsibility provisions. The guidance document can be found [here](#).

On August 31st the Centers for Medicare and Medicaid Services (CMS) sent a letter to Maine Governor Paul LePage stating that it would need more time to consider Maine's proposed cuts in eligibility for its Medicaid program. Maine had previously requested that it be allowed to cut eligibility in its Medicaid program, in spite of ACA "maintenance of effort" rules prohibiting states from scaling back eligibility. Maine has argued that the Supreme Court's June decision making the Medicaid expansion optional for states also makes the maintenance of effort provisions optional. CMS has not clearly indicated whether it agrees with Maine's interpretation. News coverage can be found [here](#).

On August 31st CMS announced that it would be providing more than \$160 million in loans to two organizations that intend to create Consumer Operated and Oriented Plans (CO-OPs) in Massachusetts and Tennessee. The loans are part of the ACA's CO-OP program, which encourages the creation of such plans. A press release can be seen [here](#). News coverage can be found [here](#).

On August 30th CMS released an amendment to regulations clarifying that children of illegal immigrants who are exempted from deportation under a policy announced by the Obama Administration are not eligible to participate in the ACA's Pre-existing Condition Insurance Plan or in health insurance exchanges. The rule can be found [here](#).

Other HHS and Federal Regulatory Initiatives

On August 29th the Department of Health and Human Services (HHS) announced almost \$50 million in new funding to improve the public health workforce, including funding for centers that train public

health workers and funding for fellowships within state and local health departments. A press release can be found [here](#).

On August 31st the White House issued an executive order to expand suicide prevention services and mental health and substance abuse treatment for veterans, service members, and their families. The executive order can be seen [here](#). A White House press release can be seen [here](#).

Other Congressional and State Initiatives

On August 27th Rep. Henry Waxman (D-CA), Ranking Member of the House Energy & Commerce Committee, sent a letter to the FDA calling attention to a CDC report finding that the recent decrease in cigarette smoking by young people is largely offset by an increase in cigar smoking. Rep. Waxman asserts that tobacco companies have been taking advantage of regulatory loopholes to promote cigar smoking, and urges the FDA to take action to prevent this. The letter can be read [here](#).

Other Health Care News

On August 27th Towers Watson released a survey on employer-provided health care. The survey finds that employers are facing rising costs in health care and shifting a greater percentage of premiums to employees. However, few employers - less than 3 percent - stated they were likely to cease offering coverage in 2014. The report can be found [here](#).

On August 29th the Robert Wood Johnson Foundation released a study finding that, between 2008 and 2010, the number of children enrolled in Medicaid and the CHIP increased by 5.6 percent. Overall, while the number of uninsured adults increased during the period, the number of uninsured children actually decreased—from 9.7 percent to 8.5 percent. The report can be found [here](#).

On August 28th at the Republican National Convention, the GOP adopted its party platform. The platform calls for repealing the ACA and adopting Rep. Paul Ryan's (R-WI) plans on Medicare and Medicaid. A summary of news coverage on the platform can be seen [here](#). The platform can be seen [here](#).

On August 29th *Health Affairs* published a study finding that comparing “amenable mortality”—the rate of deaths that could be avoided with timely and appropriate health care—in the U.S. and several European countries. The study finds that, while all of the countries studied had made progress in reducing amenable mortality over the past decade, the U.S. lagged behind the European countries. A *Health Affairs* post describing the study can be found [here](#).

Hearings & Mark-ups Scheduled

Both the Senate and the House of Representatives are in recess until September 10, 2012.