



ML Strategies Update

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Health Care Update

Congress Slowly Works on Budget Reconciliation; ACA Reform Proposals Still Up in the Air: The [FY 2016 budget](#) resolution, which was agreed to by Congress this past April, included broad reconciliation instructions directing the House and Senate committees to explore policy options for reducing the deficit. With the deadline to propose these budget recommendations coming up this Friday, July 24th, details are slowly starting to emerge regarding potential deficit reduction strategies.

Notably, while the committees charged with the reconciliation instructions have repeatedly promised that the Friday deadline will be met, stakeholders are increasingly skeptical that meaningful recommendations will be ready by the end of the week.

Congressional analysts believe that there is a significant block of GOP lawmakers who would like to use the reconciliation process to repeal some or major parts of the health reform law, especially following the Supreme Court ruling preserving the health insurance exchange tax subsidies in *King v. Burwell*. However, the conventional wisdom is that the President would veto any attempt to defund the law, thus wasting the reconciliation process to enact more achievable budget reducing initiatives. Instead, some GOP leaders are working to potentially use reconciliation on sequestration, tax reform, or other areas that could achieve broad consensus support.

Speaking on the process, House Budget Committee Chairman Tom Price (R-GA) said that the July 24th deadline was self-imposed and missing the mark would not impact proposals coming later in the year. The real deadline for reconciliation will come next spring, before the next budget resolution is adopted. Health care stakeholders in particular, are largely hoping that lawmakers can find common ground around potential ACA “fixes” such as amending the 30-hour work week definition, repealing the “Cadillac tax” provision, and also reversing Medicare sequestration.

Implementation of the Affordable Care Act

GAO Investigation Finds Issues with Healthcare.gov: The GAO [reported](#) enrolling 11 fake accounts through HealthCare.gov last year, and all of them were able to renew coverage this year. The investigation revealed many issues with the system, including that fake enrollees even got more subsidies than before and that the marketplace sent incorrect 1095-A tax forms to three of the applicants, and some of the letters it sent the fake applicants referenced impossible events.

Federal Regulatory Initiatives

CMS Identifies & Prevents \$820 Million in Improper Payments: The Centers for Medicare & Medicaid Services (CMS) reported that the agency's advanced analytics Fraud Prevention System identified or prevented \$820 million in inappropriate payments in the program's first three years. The Fraud Prevention System uses predictive analytics to identify troublesome billing patterns and outlier claims for action, similar to systems used by credit card companies.

CMS Proposes Long-Term Care Facility Rule: CMS released a proposed rule to revise the requirements that long-term care (LTC) facilities must meet in order to participate in Medicare and Medicaid. Among other things, the proposal would expand requirements to improve care and safety and highlights EHRs as a means of doing so. In conjunction with the proposal, the agency [released](#) the 2013 Medicaid Expenditures for Long-Term Services and Supports Report which documents "the significant progress the Medicaid program has made to promote community living for older adults and people with disabilities."

CMS Releases Home Health Star Ratings: CMS published star ratings on [Home Health Compare](#), CMS's public information website for Home Health Agencies (HHA). This is the first time CMS has published these ratings which are intended to help consumers identify difference in quality and identify areas for improvement for HHAs.

White House Holds Conference On Aging: The White House held its Conference on Aging, which aimed to "identify and advance actions to improve the quality of life of older Americans" Speakers included: HHS Secretary Sylvia Mathews Burwell, Surgeon General Vivek Murthy, HHS Assistant Secretary for Aging Kathy Greenlee, and newly appointed HHS Chief Technology Officer Susannah Fox.

AHRQ Grant for Patient-Centered Outcomes: The Agency for Healthcare Research and Quality (AHRQ) announced a new [funding opportunity](#) to drive implementation of patient-centered outcomes research. Funding will be awarded for creation of learning networks and tools to extend or support clinical decision-based findings.

AHRQ Studies EHRs Impact on Time: AHRQ released a [study](#) examining the impact of health IT and EHR systems on time spent in medical practices. The report finds that, while such technologies increase the number of patients clinics can see per day, there can be a "diminished ability" to pay attention to patients during visits.

OMB Report Suggests ACA Good for Nation's Financial Outlook: OMB released its mid-session review to update estimates provided in the president's February Budget request. The [blog post](#) suggests that the falling uninsured rate is playing a big role in the nation's fiscal health, stating: "during the period since the Affordable Care Act became law, health care prices have grown at the slowest rate in nearly 50 years."

ONC Releases Health IT Safety Center Roadmap: The Office of the National Coordinator for Health IT (ONC) released [roadmap](#), which "aims to define the focus, functions, governance and value of a new national Health IT Safety Center."

Congressional Updates

House E&C Hearing on Medicare Prescription Drug Fraud: The House Energy and Commerce's Subcommittee on Oversight held a hearing on fraud in Medicare Part D, almost a month after the Justice Department charged 243 people with about \$712 billion in false Medicare billings. The HHS Inspector General last month also highlighted areas of potential abuse in Part D in a separate [report](#) taking issue with the program's fraud detection contractor and the fact that physicians with a history of fraud can still prescribe Part D drugs.

Senate Finance Hearing on HealthCare.gov: The Senate Finance Committee held a [hearing](#) to hear testimony from the GAO on the undercover testing which the agency did of the Marketplace's eligibility and enrollment controls, including opportunities for potential enrollment fraud.

TELE-MED Act Reintroduced: Reps. Devin Nunes (R-CA) and Frank Pallone (D-NJ) in the House and Senator Mazie Hirono in the Senate, reintroduced the Telemedicine for Medicare (TELE-MED) Act. The bill, which was originally introduced in 2013, would allow doctors with licenses in one state to treat Medicare patients in another state.

Sens. Warren and Hatch Letter on Assisted Living Facilities: Senators Elizabeth Warren (D-MA), Orrin Hatch (R-UT), as well as Senate Aging Committee leaders Susan Collins and Claire McCaskill, sent a [letter](#) to the GAO to report on the quality of care for Medicaid enrollees in assisted living facilities. For the most part, states are responsible for overseeing those facilities — with "standards that vary dramatically," the senators note in a statement.

ICD-10 Bill introduced: Representatives Marsha Blackburn (R-TN) and Tom Price (R-GA) have filed a [bill](#) that would require CMS to accept both ICD-9 and ICD-10 claims for 180 days after the transition to the more complex ICD-10 code set later this year. However, CMS claims that's not technically possible and has already made a deal with the American Medical Association (AMA) to allow less specific codes during the first year of ICD-10.

Senators Concerned About Naloxone Price: In a letter to state government officials, Representative Elijah Cummings (D-MD) and Senator Bernie Sanders (I-VT) expressed concerns about the price of Naloxone and warned that pharmaceutical companies might be overcharging for the life-saving opioid overdose reversal drug. Their [letter](#) to the National Governors Association, National Association of Attorneys General and Local Government Association encourages them to negotiate a better deal with Amphastar, the company that makes the most common form of Naloxone.

Senate Commerce Examines Disease Cures: The Senate Commerce Subcommittee on Space, Science, and Competitiveness held a [hearing](#) on how to incentivize development of cures for deadly diseases. Testifying at the hearing was former-Senator Tom Coburn (R-OK)—who stepped down from his seat and who is battling prostate cancer.

Senate Passes Older Americans Act: The Senate unanimously approved a [S. 192](#), a bill to reauthorize the Older Americans Act. The law provides for a range of senior services, such as nutrition programs, home and community based services, family caregiver assistance, and other programs. The legislation now goes to the House.

Other Health Related News

IOM Calls for Better Use of EHRs in Mental Health Treatment: According to an Institute of Medicine [report](#), providers and researchers should be able to extract data from electronic records on mental health treatment options and their respective quality over time and across settings, much like other specialty treatment areas. For the most part, EHRs and clinical registries do not capture psychosocial health or specific psychotherapy content, the IOM notes.

Upcoming Congressional Hearings

On July 22nd, the Senate Special Aging Committee will hold a [hearing](#) titled "The Doctor's Not In: Combating Medicare Provider Enrollment Fraud."

On July 22nd, House Ways and Means Health Subcommittee will hold a hearing on the Medicare Payment Advisory Commission (MedPAC) with issues involving hospital payment, rural health and beneficiary access to care.

On July 23rd, the Senate Health, Education, Labor and Pensions Committee will hold a [hearing](#) titled "Achieving the Promise of Health Information Technology: Information Blocking and Potential Solutions."

On July 24th, the House Energy and Commerce Subcommittee on Oversight and Investigations will hold a [hearing](#) titled, “An Overdue Checkup: Examining the ACA’s State Insurance Marketplaces.”

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