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HEALTH CARE UPDATE

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- **Omnibus Spending Bill Released:** Last week Senate and House lawmakers approved and the President signed the \$1.1 trillion omnibus spending bill. The implementation of the Affordable Care Act took a hit as \$1 billion that was supposed to go towards the law's Prevention and Public Health Fund, which has been frequently used to fund the implementation of the ACA, was redirected towards other programs. In addition, the Independent Payment Advisory Board was cut by \$10 million. Agencies regained funding, but some not as much as they would like. The Food and Drug Administration (FDA) and the Centers for Disease Control (CDC) each saw a funding increase of approximately 8%. However, the National Institutes of Health (NIH) only saw a funding increase of about \$1 billion, leaving it below the level enacted last spring.
- **Wyden Proposes Bi-Partisan Bill to Reform Chronic Care:** On January 15, Senator Ron Wyden (D-OR) introduced a comprehensive bill to reform the payment systems and delivery of care for the 68% of Medicare beneficiaries suffering with one or more chronic conditions such as diabetes or heart disease. The legislation entitled, the "**Better Care, Lower Cost Act**" was introduced by a bi-partisan group of legislators in both the Senate and House, including Wyden, Sen. Johnny Isakson (R-GA) and Reps. Peter Welch (D-VT) and Erik Paulsen (R-MN). The bill would increase incentives for team-based care, while also allowing for Accountable Care Organization-like entities that would manage beneficiaries via a global capitated payment that goes beyond the shared savings models currently most popular with Obama Administration initiatives. While the bill has not been scored by the Congressional Budget Office, Wyden expected it to save \$25 billion a year for the Medicare program. The legislation marks one of the first and arguably most prominent attempts by lawmakers to work on health care legislation that could modify/improve the Affordable Care Act. Capitol Hill analysts believe this bodes well for increased activity around potential bills that modify the ACA, and especially for initiatives to lower costs and improve quality. Senator Wyden is expected to assume the reigns of the Senate Finance Committee after the current Chairman, Max Baucus (D-MT), leaves his post in the coming months.

Implementation of the Affordable Care Act

2.2 Million Select Health Insurance Plans: According to new report [released](#) by the Department of Health and Human Services, 1.8 individuals signed up for health insurance through the state and federal health insurance marketplaces, bringing the total number of enrollees up to 2.2 million. Twenty-four percent of enrollees are between the ages of 18 and 34.

PCIP Extended One Month: The Pre-Existing Condition Insurance Plan, the temporary ACA high-risk pool, announced that it will provide transitional coverage for current enrollees up to March 31 to allow them more time to review plan options in the Online Health Insurance Marketplace.

DC District Court Rules on Subsidies: U.S. District Judge Paul Friedman [ruled](#) in Halbig v. Sebelius that the ACA authorizes premium tax credits on both state and federally run health insurance exchanges.

Trio of ACA Hearings: Last week, the House Committees on [Energy and Commerce](#), [Oversight](#), and [Science, Space, and Technology](#) each held a hearing on the ACA. In the Energy and Commerce Committee, Center for Consumer Information and Insurance Oversight (CCIIO) Director Gary Cohen was grilled regarding the flaws of healthcare.gov. The Committees on Oversight and Science each discussed the potential security risks of the website.

House Passes Disclosure Bill: On January 16, the House of Representatives [passed](#) the Exchange Information Disclosure Act ([H.R. 3362](#)) in a 259-154 vote. The bill would require the state and federal health insurance exchanges to submit weekly, detailed reports on their operations.

Accenture Takes On Healthcare.gov: The Centers for Medicaid and Medicare Services (CMS) [awarded](#) a \$45 million one-year contract to Accenture Federal Services to make technical improvements to healthcare.gov.

Emergency Responders Exempt from Mandate: The Department of Treasury and the Internal Revenue Service, in a reply to a letter from Senator Mark Warner (D-VA), [announced](#) that volunteer emergency service workers will not be required to be counted as full-time equivalent employees and are exempt from the healthcare mandate.

Other Federal Regulatory Initiatives

FDA Now Accepting Online Adverse Event Reports: The FDA [announced](#) the creation of a new online reporting method for voluntary and mandatory dietary supplement adverse event reports.

Dietary Committee to Examine Caffeine: During a meeting of the [2015 Dietary Guidelines Advisory Committee](#), chair of the subcommittee on Food Sustainability and Safety Subcommittee Miriam Nelson announced the committee would be examining caffeine in food and beverages.

CMS Releases Bulletin on Nonurgent Emergency Room Visits: CMS has [released](#) an informational bulletin on summarizing strategies for how to reduce nonurgent use of emergency departments and how to deliver appropriate care in the most appropriate settings.

HHS Releases SAFER Guides: The Office of the National Coordinator for Health Information Technology (ONC) in HHS [released](#) the Safety Assurance Factors for EHR Resilience, which provides guides to help health care providers and related organizations ensure the safety and safe use of EHRs.

CMS to Disclose Payments to Individual Physicians: Due to a recent change in policy, CMS will now [respond](#) to some, but not all, Freedom of Information Act requests regarding how much physicians were paid under Medicare.

Other Congressional and State Initiatives

Dems Want Protocol to Safeguard Documents: In a letter to House Oversight Committee Chairman Darrell Issa (R-CA), the Committee's Ranking Member Elijah Cummings (D-MD) asking that the committee adopt a bipartisan protocol to establish procedures for the storage and handling of sensitive documents, safeguard sensitive information in those documents, and inform other Committee members of who provided those documents.

Murphy Letter on Mental Health Drugs: Representative Tim Murphy (R-PA) [sent a letter](#) to CMS Administrator Marilyn Tavenner questioning the agency's decision to eliminate protected access to mental health drugs in Medicare Part D plans.

Senators Highlight GAO Report on Insurance Coverage: Senators Max Baucus, Tom Harkin (D-IA), and Sheldon Whitehouse (D-RI) [highlighted](#) a report released by the Government Accountability Office (GAO) which found that seniors who had continuous health insurance coverage prior to enrolling in Medicare experienced better health outcomes and reduced costs to Medicare.

Senate Bill to Protect Seniors from Fraud: Senators Jeanne Shaheen (D-NH) and Bob Casey (D-PA) [introduced](#) the Protecting Seniors from Health Care Fraud Act, a bill to address the most common health care fraud schemes which disproportionately target seniors. Similar legislation has been introduced in the [House](#).

Hearings and Mark-Ups Scheduled

The Senate and House are in Recess this week.