

Capital Thinking Podcast

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As Congress returned from the August recess, lawmakers and stakeholders geared up for the first public meeting of the Budget Control Act's Super Committee meeting on September 8. In preparation for the Committee's work, the House Ways and Means Committee Democrats released a list of potential health care specific cuts that the Super Committee could consider. The compiled list was an accumulation of pay-fors that have been offered in various deficit reduction plans. The list totals more than \$500 billion over 10 years and staff confirmed the offsets have not been officially endorsed by Members. The list included mostly Medicare focused cuts, such as accelerated home health rebasing (\$3 billion) and a new home health copay (\$40 billion), post acute provider market basket freeze (\$14-28 billion), increased SNF cost-sharing (\$21.3 billion), elimination of the rural health hospital add-on payment (\$62 billion), GME cuts (\$15 billion), new cost-sharing for clinical lab services (\$24 billion), new Part D rebate for dual eligible and LIS beneficiaries (\$120 billion), increased cost-sharing on beneficiaries with Medigap coverage (\$12-53 billion), raise Medicare eligibility age to 67 (\$124 billion), freeze income thresholds for high income beneficiaries and raise premiums (\$13 billion) and chained CPI (\$7 billion). In a jobs-focused speech to a Joint Session of Congress, President Obama called on the Super Committee to come up with additional cuts to pay for his newly proposed American Jobs Act, such as through "modest adjustments" to Medicare and Medicaid.

As for committee action this past week, the Senate Appropriations Committee approved the Agriculture-FDA spending measure on Wednesday (HR 2112) and the Senate Health, Education, Labor and Pensions Committee advanced two health bills in a markup on Wednesday – reauthorization measures for graduate medical education at children's hospitals (S 958) and autism research (S 1094). Next week the Senate Committee on Health, Education, Labor and Pensions will hold a hearing on Wednesday, September 14 "Securing the Pharmaceutical Supply Chain" and the House Energy and Commerce Subcommittee on Health has scheduled a hearing on Thursday, September 15 titled, "Cutting the Red Tape: Saving Jobs from PPACA's Harmful Regulations."

The Obama Administration welcomed good news last week when a Virginia-based U.S. District Court of Appeals threw out two challenges to the health care reform law, the Affordable Care Act. In a high profile case filed by the Commonwealth of Virginia by Attorney General Ken Cuccinelli, the court said that

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Virginia lacked standing to bring suit against the law. The Attorney General filed the suit the day the Affordable Care Act was signed into law. In the second case, filed by Liberty University of Lynchburg, Va., the appeals judges set aside a district court decision that the law is constitutional and ordered that the lawsuit be dismissed because the district court does not have jurisdiction to hear the challenge. The Supreme Court is still likely to consider the constitutionality of the Affordable Care Act in the near future.