



ML Strategies Update

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Health Care Update

ACA Repeal Votes Continue: As part of a rare Senate Sunday session to consider a bill to replenish the highway trust fund for six years, Majority Leader Mitch McConnell (R-KY) brought up an amendment to repeal the ACA—in addition to other proposals, including one that would renew the Ex-Im Bank. Yesterday's vote to repeal the ACA failed in a party line vote, 49 to 43; however, Republican lawmakers expect additional votes on the health care repeal. Senator Mike Lee (R-UT) is expected to ask the Senate again to reconsider the amendment, while also proposing a procedural motion to allow the Senate to repeal the ACA with a simple majority of 51 Senators. While the ACA repeal continues to bubble under the surface, other priorities, such as the highway bill, Ex-IM bank, and tax extenders will likely continue to take up the Senate's time in the days before August recess.

Obama Administration State Priorities Continue to Take Shape: Following the Supreme Court's ruling in *King v. Burwell* that cemented a big victory for the Obama Administration with regard to the health insurance exchanges, much speculation has surrounded what health policy issues would top the agenda going forward. Most analysts believed that Medicaid expansion would continue to be a major issue as more states, who had previously been unwilling to expand Medicaid for largely political reasons, would now feel less political pressure to oppose all facets of Obamacare.

Other issues that have also made their way atop Governors' wish lists include substance abuse (especially around opioid abuse) and delivery reform efforts. For example, Secretary Burwell announced this past weekend during a National Governor's Association meeting that her Department would be launching various substance abuse initiatives with the states with \$133 million in funding in addition to other programs testing new payment models being tested by the Center for Medicare and Medicaid Innovation.

The new HHS announcement may mark a turning point for many states that have up-to-now, resisted working with the Obama Administration on health care reform efforts. Especially in areas where initiatives can improve quality and/or lower costs, the opportunity for significant funding and flexibility seems to be possible.

Implementation of the Affordable Care Act

7.5 Million People Paid ACA Fines: According to [IRS data](#), the government was paid \$1.5 billion in fines from about 7.5 million people who did not obtain health care coverage in 2014, as required by the ACA. Another 12 million individuals claimed an exemption.

Federal Regulatory Initiatives

CMS Releases Guidance on Paying for Medicaid Updates: CMS issued [guidance](#) to states on how human services programs, such as SNAP and TANF, have to split costs related to upgrading Medicaid eligibility and enrollment systems. This will allow states to develop IT systems that benefit Medicaid and other human services programs, but the latter don't have to share in as many costs.

CMS Announces Medicare Care Choices Model Awards: CMS [announced](#) the participants in the Medicare Care Choices Model, which provides Medicare beneficiaries who qualify for coverage under the Medicare hospice benefit and dually eligible beneficiaries who qualify for the Medicaid hospice benefit the option to elect to receive supportive care services typically provided by hospice, while continuing to receive curative services.

Medicare Trustees Report Projects Continued Slower Cost Growth: The Medicare Trustees [Report](#) this year projects that the trust fund that finances Medicare's hospital insurance coverage will remain solvent until 2030, unchanged from last year, but with an improved long-term outlook from last year's report.

HHS Announces Substance Abuse Treatment Funding: HHS announced new initiatives to combat opioid abuse and expand substance abuse treatment. In her [announcement](#), Secretary Burwell outlined additional funding available to states and community health centers to expand the use of medication-assisted treatment for opioid use disorder, and released guidance to help states implement innovative approaches to substance use disorder treatment.

HHS to Advance Development of Ebola Drug: HHS has issued a \$19.7 million task order for one of its Centers for Innovation in Advanced Development and Manufacturing to develop a new Ebola drug. Emergent BioSolutions in Maryland will begin advanced development and manufacturing activities for a drug that's similar to ZMapp, the experimental treatment that was given to several aid workers when the epidemic was raging last year.

What to Consider in Drafting 2016 Health Insurance Premiums: CMS Health Insurance Marketplace CEO Kevin Counihan sent a [letter](#) to state insurance commissioners regarding factors states should consider as they decide final rates. Enrollee risk pools are expected to get healthier, and insurers are reporting less demand for services. Recent data show that moderate growth in health care spending. Insurers will get ample funding through reinsurance and risk corridors to keep prices stable.

GAO Report On Uninsured Adults with Behavioral Health Conditions: According to a GAO [report](#), three million, or 17 percent, of low-income, uninsured adults have a behavioral health condition, including serious mental illness and a substance use condition. That number was divided evenly between states that did and did not expand their Medicaid programs under the ACA.

FSMB Gets HRSA Grant: The Health Resources and Services Administration (HRSA) [awarded](#) the Federation of State Medical Boards (FSMB) a \$225,000 grant so that it may implement its Interstate Medical Licensure Compact and to develop "specifications for a technical infrastructure and educational outreach to expand interest and participation in the Compact."

Congressional Updates

Democrats Ask DOJ to Investigate Center for Medical Progress: Representatives Janice Schakowsky (D-IL), Zoe Lofgren (D-CA), Jerry Nadler (D-NY), and Yvette Clarke (D-NY) sent a [letter](#) requesting that U.S. Attorney General Loretta Lynch and California's Attorney General Kamala Harris open an investigation into the Center for Medical Progress, the group that released the two undercover videos of Planned Parenthood officials allegedly

discussing the sale of fetal tissue, on whether the group violated any state or federal laws when it recorded the Planned Parenthood executives.

Bill Introduced to Allow Self-Payment for Devices: Senators Rob Portman (R-OH), Martin Heinrich (D-NM), John Thune (R-SD), and Michael Bennet (D-CO) [introduced](#) legislation that would allow Medicare patients to self-pay for new medical technology, including devices, instead of waiting for the government to make a reimbursement decision.

House E&C Considers Four Health Bills: The House Energy and Commerce Subcommittee on Health [met](#) to markup four bipartisan public health bills: H.R. 1344, the Early Hearing Detection and Intervention Act; H.R. 1462, the Protecting Our Infants Act; H.R. 1725, the National All Schedules Prescription Electronic Reporting Reauthorization Act (NASPER); and H.R. 2820, the Stem Cell Therapeutic and Research Reauthorization Act.

Senate Aging Considers Enrollment Fraud: The Senate Special Committee on Aging held a [hearing](#) to consider means to combat Medicare provider enrollment fraud. The hearing brought up a recent GAO report which found that close to \$60 billion in Medicare funds were sent to possibly incorrect addresses or providers who received disciplinary actions.

Senate HELP Hearing on Health IT: The Senate Health, Education, Labor, and Pensions (HELP) Committee held a [hearing](#) to consider the promise of health IT. Witnesses in the hearing urged the government to work to overcome impediments to expanding health IT, such as information blocking.

Upcoming Congressional Hearings

On July 28th, the House Ways and Means Subcommittee on Health will hold a [hearing](#) to discuss rural health care disparities created by Medicare regulations.

On July 28th, the House Judiciary Subcommittee on Crime, Terrorism, Homeland Security, and Investigations will hold a [hearing](#) titled, "America's Growing Heroin Epidemic."

On July 28th, the House Education and the Workforce Committee will hold a [hearing](#) titled "Reviewing the Policies and Priorities of the U.S. Department of Health and Human Services."

On July 31st, the Senate Special Committee on Aging will hold a field [hearing](#) titled "Celebrating Medicare: Strengthening The Program For The Next 50 Years."

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