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Tom Koutsoumpas, TKoutsoumpas@mlstrategies.com
Jeremy Rabinovitz, JRabinovitz@mlstrategies.com
Alexander Hecht, AHecht@mlstrategies.com
Kevin M. Kappel, KMKappel@mlstrategies.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 October 3, 2011

Implementation of the Affordable Care Act (ACA)

On September 26th the Government Accountability Office (GAO) released a new report highlighting the estimated costs to the Department of Defense to implement elements of the ACA. Specifically, the report examined elements touching the military health system including the extension of dependents on TRICARE until age 26. That report can be found [here](#).

On September 26th the Institute of Medicine (IOM), which is charged with developing recommendations for HHS Secretary Kathleen Sebelius on the determination of essential health benefits under the ACA, announced that it would be releasing its suggestions on October 7th. More information can be found [here](#).

On September 26th the U.S. Department of Justice decided not to ask the full 11th Circuit Court of Appeals to hear the health care reform lawsuit filed by 26 states and the National Federation of Independent Business (NFIB). Instead, the DOJ will go directly to the Supreme Court to appeal the earlier ruling that the individual mandate is unconstitutional. Two days later the NFIB submitted a petition to the Supreme Court asking it to strike down the entire law and claiming that the individual mandate, which had been ruled unconstitutional by a lower court, could not be separated from the rest of the ACA.

On September 27th the Center for Consumer Information and Insurance Oversight (CCIIO) of CMS announced that it was extending the deadline to file comments on two recent health insurance exchange regulations until October 31st. CMS' official notice in the *Federal Register* can be found [here](#).

On September 27th HHS announced over \$100 million in new Community Transformation Grants made possible by the ACA to 61 states and communities to help fight chronic disease. The HHS press release can be found [here](#).

On September 28th the Patient-Centered Outcomes Research Institute (PCORI), created by the ACA, announced \$26 million in grant opportunities to be made available over the next two years to develop methods and strategies for comparative effectiveness research. More information on PCORI funding opportunities can be found [here](#).

On September 28th the Center for Medicare and Medicaid Innovation (CMMI) launched a new coordinated care program focusing on primary care and partnerships with private insurers. The HHS press release can be found [here](#).

On September 28th HHS Assistant Secretary of Aging Kathy Greenlee directly addressed recent criticism and speculation surrounding the ACA's new CLASS program saying that final recommendations on what to do regarding the program would be made in mid-October. Speculation has been rampant in recent weeks that HHS intends to close the program down. Ms. Greenlee's post can be found [here](#).

On September 30th CMS announced that it was extending the deadline for letters of intent and applications for the bundled payments initiatives. Letters of intent are now due October 6th, and applications are due on November 18th. CMS' announcement can be found [here](#).

Other HHS and Federal Regulatory Initiatives

On September 26th the FDA held a public workshop to hear from stakeholders on drug shortages. More information on the event can be found [here](#).

On September 28th HHS announced awards of \$56.3 million to go to the development of five new drugs to protect against acute radiation syndrome, the type of ailment that may occur after the detonation of an improvised nuclear device. The HHS press release can be found [here](#).

On September 30th CMS announced awards of \$1.5 million to State Health Insurance Assistance Programs (SHIPs) to help assist Medicare beneficiaries and their caregivers. The CMS press release can be found [here](#).

Other Congressional and State Initiatives

On September 29th House Appropriations Labor-HHS Subcommittee Chairman Denny Rehberg (R-MT) released legislation to fund HHS for 2012. The bill would cut an additional \$200 million from 2011 levels, approximately \$2.8 billion less than President Obama requested. In addition, the legislation would freeze approximately \$8.6 billion for the ACA until the courts work out all of the legal challenges to the legislation. The bill can be found [here](#). Subcommittee Ranking Member Rosa DeLauro's (D-CT) response to the bill's release can be found [here](#).

Other Health Care News

On September 27th the Kaiser Family Foundation released its Employer Health Benefits survey showing that average annual premiums for a family rose nine percent in 2011 to over \$15,000. The report also showed that 2.3 million young adults also retained coverage on their parents' policies due to a provision in the ACA that allows children to stay on their parents' plan up to the age of 26. The news release can be found [here](#).

Hearings & Mark-ups Scheduled

House of Representatives

On October 6th the House Oversight Subcommittee on Health Care is scheduled to hold a hearing on "Obamacare's Employer Penalty and Its Impact on Temporary Workers." More information can be found [here](#).

Senate

On October 4th the Senate Committee on Homeland Security and Governmental Affairs will hold a hearing on the "Costs of Prescription Drug Abuse in the Medicare Part D Program." More information can be found [here](#).