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HEALTH CARE REFORM UPDATE November 1, 2011

Implementation of the Affordable Care Act (ACA)

On October 24th CMS announced the selection of 500 Federally Qualified Health Centers (FQHC) in 44 states to participate in its FQHC Advanced Primary Care Practice demonstration project to improve the coordination and quality of care they deliver to people with Medicare and other patients. A fact sheet about the program can be found [here](#).

On October 24th the 26 states challenging the ACA in court filed its voluntary reply to the petition filed by the Department of Justice asking the Supreme Court to hear their case. In the reply, the states asked the Supreme Court to examine the constitutionality of the individual mandate and the Medicaid expansion, the severability of the mandate from the law, and possibility that the employer mandate conflicts with the 10th Amendment. The reply can be found [here](#).

On October 24th Rep. Denny Rehberg (R-MT), Chairman of the House Appropriations Labor-HHS Subcommittee, introduced legislation that would enact three proposals the Chairman had recently suggested to the Super Committee for deficit reduction: repealing the Medicaid expansion of the ACA, repealing the subsidy support for individuals to purchase health insurance of the ACA, and repealing the CLASS Act. The Chairman claims that the proposals would cut \$1.3 trillion from the deficit, thereby fulfilling the Super Committee's obligations. The Chairman's press release can be found [here](#).

On October 25th the Wisconsin Commissioner of Insurance applied for a waiver exempting its insurers from the ACA's medical loss-ratio (MLR) requirements. Rather than require insurers to spend 80% of premiums on medical care, as would be required without a waiver, the state requested a lower threshold for the next three years. A local news story on the subject can be found [here](#), and a copy of the state's letter can be found [here](#).

On October 26th the Energy & Commerce Subcommittee on Oversight and the Subcommittee on Health held a joint hearing on the CLASS Act and the decision by HHS not to implement it. More information on the hearing can be found [here](#).

On October 26th Sens. Orrin Hatch (R-UT) and Chuck Grassley (R-IA), Ranking Members of the Senate Finance and Judiciary Committees respectively, sent a letter to HHS Secretary Kathleen Sebelius questioning why the Department had not used tools created in the ACA to stop waste, fraud, and abuse within Medicare. Sen. Hatch's press release on the letter can be found [here](#).

On October 26th five of the six pending petitions for the Supreme Court to hear challenges against the ACA were distributed to the Supreme Court Justices' chambers for consideration at its Conference on November 10th. More information can be found [here](#).

On October 27th the House Oversight and Government Reform Committee released a report claiming that Affordable Care Act creates a "marriage tax penalty." The report claims that the act makes it more difficult for married couples to receive tax credits and will thus discourage marriage. The report can be found [here](#).

On October 27th the House approved H.R. 2576 by a vote of 262-157. The bill would fix a "glitch" in the ACA that would have allowed many middle-income families to enroll in Medicaid. Information on the bill can be found [here](#). The bill, which now heads to the Senate, received support from the White House.

On October 27th HHS announced that Medicare Part B premiums in 2012 will be lower than previously projected and attributed the decrease to the protections in the ACA. A press release can be found [here](#).

On October 30th after discussions with Federal officials, Wisconsin Governor Scott Walker (R) conceded publicly that the waivers would likely not be granted. A local news story is [here](#).

Other HHS and Federal Regulatory Initiatives

On October 25th the White House announced two initiatives to help veterans get jobs in the health care field. The "Community Health Center Veterans Hiring Challenge" encourages Community Health Centers to hire 8,000 veterans over the next three years. Under the "Helping Veterans Become Physical Assistants" initiative, the Health Resources and Services Administration will give priority in physician assistant grant awards to universities and colleges that help train veterans for careers as physician assistants. A news release on the initiatives can be found [here](#).

On October 25th the Centers for Disease Control recommended that 11-year-old boys receive the HPV vaccine. A media advisory can be found [here](#).

On October 28th HHS announced the release of more than \$1.7 billion in Low Income Home Energy Assistance Program (LIHEAP) funds to assist low-income Americans with their heating and home energy costs. The HHS press release can be found [here](#).

On October 31st President Obama issued a new executive order aimed at reducing drug shortages. A White House fact sheet on the order can be found [here](#). Shortly after the President's announcement, HHS issued a report on the economic causes of drug shortages, and FDA issued a report on steps being taken to prevent them. The HHS report can be found [here](#), and the FDA report can be found [here](#).

On October 31st CMS released its final rule updating the home health prospective payment system for 2012. The net impact of the rule will be a 2.3 percent reduction in payments to home health agencies. The rule can be found [here](#).

Other Congressional and State Initiatives

On October 25th Democrats on the Joint Select Committee on Deficit Reduction (the "Super Committee") proposed measures that would reduce the deficit by \$2.5 to \$3 trillion, significantly more than the \$1.2 trillion required to avoid sequestration. This includes around \$500 billion in cuts to Medicare and Medicaid. A news story on the proposal can be found [here](#).

On October 27th CMS approved California's proposals to reduce Medicaid reimbursement rates by a total of \$623 million. A news release from the California Department of Health Care Services is [here](#). The California Medical Association blasted the move in a statement [here](#).

Other Health Care News

On October 24th Gallup released a new poll showing that only 5% of small business owners in the United States cited the ACA as its top concern. Complying with government regulations topped the list with 22% followed by consumer confidence. The results can be found [here](#).

On October 26th *Health Affairs* published a report indicating the uncertainty that surrounds the Medicaid expansion of the ACA due in 2014. The report indicated that enrollment could increase anywhere from 8.5 million to 22.4 million, with increased costs from \$34 billion to \$98 billion. The report can be found [here](#).

On October 27th Health Care for American Now wrote a letter to Secretary Kathleen Sebelius requesting a public hearing on Florida's request for an MLR waiver. A press release and the letter can be found [here](#).

Hearings & Mark-ups Scheduled

House

On November 2nd the Energy & Commerce Subcommittee on Health has scheduled a hearing titled "Do New Health Law Mandates Threaten Conscience Rights and Access to Care?" The hearing focuses on coverage of contraception and sterilization as preventive services for women. More information can be found [here](#).

Super Committee

On November 1st the Super Committee will hold a public hearing titled "Overview of Previous Debt Proposals." More information can be found [here](#).