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## Health Care Update

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**Permanent Medicare Doc-Fix Could be a Reality, CHIP Reauthorization May Be Lynchpin:** In a surprising turnaround of events, House leadership are moving closer to a bipartisan deal led by Speaker John Boehner and Minority Leader Nancy Pelosi. Although rumors of a potential deal surfaced weeks ago, many stakeholders were unsure what progress the two House party leaders could make in coming up with savings to pay for a roughly \$200 billion legislative fix that would replace the Sustainable Growth Rate (SGR) formula and likely include a slew of extensions to other Medicare programs ("Medicare extenders"). Many observers believe the current deal would involve a series of budgeting maneuvers, some beneficiary cuts, hospital and long term care cuts, and only partially pay for the full cost of repeal.

On March 11, Ron Wyden (D-OR), Ranking Member of the Senate Finance Committee [released a statement](#) basically confirming that Boehner and Pelosi were working on a deal and urging them to include a reauthorization of the Children's Health Insurance Program (CHIP) as part of the package. Legislators and many state governors are calling on Congress to reauthorize CHIP before June 30<sup>th</sup>. Although the program is funded through September 30, 2015, most state governments set their budgets closer to July. Following that statement, other Congressional Democrats, especially in the Senate, reiterated their desire for a full four-year extension for CHIP in order to get their buy-in for a potential SGR deal.

Although stakeholders are buoyed by the seemingly high level support for a SGR deal, potentially significant challenges still remain. For one, Boehner and Pelosi must create a coalition of "yes votes" from their parties, facing opposition from budget hawks that will be opposed to deficit spending, assuming the full package is not paid for, and from liberal members who do not want to see a doc-fix paid for with Medicare beneficiary cuts, respectively. Additionally for now, the current CHIP reauthorization plans are rumored to be less than four years, causing some stakeholders concern following recent Senate Democratic warnings.

Ultimately, a SGR deal could be a major feather in the cap for the newly GOP- controlled Congress in achieving a major legislative victory on an issue that has vexed Congress for over a decade. Further, it could also serve to embolden Minority Leader Pelosi, who, if successful, would have used her leverage to drive policy that could affect enough bipartisan votes to pass the House.

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### **Implementation of the Affordable Care Act**

**HHS Updates Enrollment Numbers:** The Department of Health and Human Services (HHS) [announced](#) that close to 11.7 million consumers selected or were automatically re-enrolled through the Health Insurance Marketplace as of February 22<sup>nd</sup>. Speaking at the White House, Secretary Sylvia Burwell touted the number, more than half of which comes from new enrollees.

**CBO Updates Coverage Estimates:** The Congressional Budget Office (CBO) [announced](#) that the ACA will reduce the U.S. insurance figure in 2025 by 25 million, down from a January 2015 estimate of 27 million.

### **Other Federal Regulatory Initiatives**

**CMS Launches Next Generation ACOs:** On March 10<sup>th</sup>, the Centers for Medicare & Medicaid Services (CMS) [announced](#) the Next Generation ACO model. The model will build upon previous efforts, including the Pioneer ACO model, and is designed to further enable innovation by providers to improve care and encourage quality improvement and care coordination. Notably, ACOs in this model will receive reimbursement for telemedicine services regardless of patient location. Please see Mintz Levin's discussion of the Next Generation ACOs [here](#).

**FDA Published Electronic Consent Guidance:** The Food and Drug Administration (FDA) [released](#) draft guidance for clinical researchers on how they may obtain patients' informed consent in electronic formats.

**CDC Updates Health Status Indicators:** The Centers for Disease Control (CDC) released [updated](#) Community Health Status Indicators online. There are 3,143 indicators, one for each county in the country.

**CDC, AMA Partner to Combat Pre-Diabetes:** AMA and CDC unveiled a joint initiative this week to stem the growth of Type 2 diabetes. The initiative, [Prevent Diabetes STAT](#), seeks to limit the number of cases in which pre-diabetes morphs into the diabetes by targeting people with disease indicators whom it will counsel and assist to lose weight.

**Invasive Cancer Survivors Living Longer:** CDC [found](#) that survival rates have increased among Americans with invasive cancers, 65 percent of whom are living at least five years after their diagnosis. CDC attributes the increase to improvements in early detection and treatment of cancer. The survival rates vary by cancer type, with it being highest for those with prostate cancer (97 percent) and lowest for those with lung cancer (18 percent).

**GAO Study of EHR Challenges:** The Government Accountability Office (GAO) released a [report](#) on the Patient-Centered Outcome Research Institute (PCORI) which found that the 5-year project has established priorities and plans but that research is not conclusive enough to influence medical practice.

### **Congressional Initiatives**

**Bipartisan Bill Would Expand Use of Claims Data:** Senators John Thune (R-SD) and Tammy Baldwin (D-WI) introduced the [Quality Data, Quality Healthcare Act](#) to expand the use of Medicare data collected under CMS's Qualified Entity program, which enables access to Medicare claims data for analysis.

**Senate HELP Examines Medical Innovation:** As part of the Senate Health, Education, Labor, and Pensions Committee's Innovations for Healthier Americans Initiative, the Committee [met](#) to hear testimony from NIH Director

Collins and FDA Administrator Hamburg on, per Chairman Alexander (R-TN), “how we get drugs, devices and treatments from the discovery process through the regulatory process into our medicine cabinets and doctors’ offices.”

**House E&C Leaders Press Administration on Flu:** House Energy and Commerce Subcommittee on Oversight and Investigations Chairman Tim Murphy (R-PA) and Ranking Member Diana DeGette (D-CO) today sent [letters](#) to top health agency officials regarding the Administration’s to plan and adapt for the flu season. The letters were sent to the heads of HHS, FDA, CDC, National Institute of Allergy and Infectious Diseases (NAID) at the National Institutes of Health (NIH), and Biomedical Advanced Research and Development Authority (BARDA).

**CBO Director: ACA Guarantees Subsidies for Every State:** At a Senate Appropriations hearing, CBO Director Doug Elmendorf, in [an exchange with Senator Chris Murphy](#) (D-CT) about *King v. Burwell*, said that when the CBO calculated the cost of the ACA it figured that all states would have access to health-care subsidies.

**Bipartisan Legislation Proposed in Senate to Aid Hospitals in Low-Income Areas:** Six senators, three Democrats and three Republicans, introduced [legislation](#) to increase payments to hospitals that serve low-income populations through changes to the readmission program. The bill’s sponsors -- Senators Sherrod Brown (D-OH), Joe Manchin (D-WV), Bill Nelson (D-FL), Rob Portman (R-OH), Roger Wicker (R-MS) and Mark Kirk (R-IL) -- said it will be budget neutral.

**Markey, Ayotte Sponsor Bill Incenting Good Samaritans to Treat Overdose:** Senators Ed Markey (D-MA) and Kelly Ayotte (R-NH) introduced [legislation](#) granting lawsuit immunity to trained caregivers, health professionals and first responders who dispense naloxone -- an overdose reversal drug -- to drug users. Representative Richard Neal (D-MA) plans to introduce a companion bill in the House.

**Murray, Brown Sponsor Medicaid, Medicare Reimbursement Bill:** Senators Patty Murray (D-WA) and Sherrod Brown (D-OH) introduced [legislation](#) to extend an expired ACA provision that requires parity between Medicaid and Medicaid payments to primary care doctors. The bill also broadens the pool of medical professionals the provision covers to include OB-GYNs, nurse practitioners, and physician assistants.

**Senator Wyden On Student Medical Records:** Senator Ron Wyden, Ranking Member of the Senate Finance Committee, [wrote](#) to the Department of Education requesting information on privacy protections for student health information at on-campus medical facilities.

### Other Health Care News

**IOM Report on Tobacco Product Access:** An Institute of Medicine [report](#) found that increasing the minimum age of legal access to tobacco products has reduced the frequency of new smokers and reduced exposure to secondhand smoke.

**Telemed Advocate Praises CMS’ Calls for Payment Flexibility:** The [Alliance](#) for Connected Care applauded CMS’ willingness to allow Medicare Next Generation ACOs to receive payments for telemedicine services, regardless of the location from where their patients receive care.

**Report on the State of Telemedicine:** After reviewing 99 studies on the effects of telemedicine, a [report](#) from the non-partisan Altarum Institute concludes that telemedicine benefits patients in primary care and those in rural areas who have chronic diseases.

**Health Care Cancellations Due to ACA Drop in 2014:** About 900,000 people’s health insurance was cancelled due to the Affordable Care Act in 2014 -- a [figure](#) much lower than most analysts had predicted, according to the Urban Institute and the Robert Wood Johnson Foundation. The number of cancellations likely dropped this year from last year when there were 2.6 million in part because HHS changed the deadline from 2013 to 2017 for when all insurers must provide ACA-compliant coverage.

**AHIP Announces Innovation Lab:** AHIP, Accenture, Amgen, and GE Healthcare are collaborating to form the [AHIP Innovation Lab](#), which will utilize “peer groups of health care professionals, thought leaders, and subject matter experts to turn ideas into actionable, outcomes-driven solutions to a particular challenge.”

### Upcoming Congressional Hearings

#### *Senate*

On Tuesday March 17<sup>th</sup>, the Senate HELP Committee will hold a [hearing](#) titled “America’s Health IT Transformation: Translating the Promise of Electronic Health Records Into Better Care.”

#### *House*

The House Appropriations Committee will hold a budget [hearing](#) on Department of Agriculture Food, Nutrition, and Consumer Services.

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