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HEALTH CARE REFORM UPDATE

June 18, 2012

Implementation of the Affordable Care Act (ACA)

On June 11th the Center for Medicare and Medicaid Innovation (CMMI), established under the ACA, announced that it is accepting new applicants for its Advance Payment ACO model under its Shared Savings Program. The Advance Payment program provides advanced funding to small, primarily rural organizations that wish to form ACOs but may not have the upfront capital to do so. More information can be found [here](#).

On June 11th CMS issued a press release announcing that 14.3 million people in Medicare had accessed at least one preventive service at no cost to them during the first five months in 2012 as a result of the ACA. The CMS press release can be found [here](#).

On June 13th CMS announced that four states—Iowa, Georgia, Mississippi, and Missouri—would receive a total of \$295.6 million in enhanced Medicaid funding under the ACA's Balancing Incentives program. The initiative is designed to enhance home-based care as an alternative to nursing home or other facility care. More information about the program can be found [here](#).

On June 13th Hawaii sent a “declaration letter” to CMS officially stating its intent to develop a state-based health insurance exchange. Although many other states have begun the development of Exchanges, Hawaii is the first state to make a formal declaration to HHS. A news release can be found [here](#).

On June 13th the GAO released a new report detailed the IRS' progress in implementing its portion of the ACA. The report can be found [here](#).

On June 15th HHS announced the recipients of 81 awards under CMMI's Innovation Challenge. The awards will support innovative projects nationwide designed to deliver high-quality medical care, enhance the health care workforce, and save money. HHS predicts that the Innovation Challenge

projects will save the health care system an estimated \$1.9 billion over the next three years. A news release can be found [here](#). Two days prior to the announcement, Rep. Charles Boustany (R-LA), Chairman of the Ways & Means Subcommittee on Oversight, had sent a letter to Secretary Sebelius requesting more information on the program and how the money was being spent. A copy of that letter can be found [here](#).

Other HHS and Federal Regulatory Initiatives

On June 12th CMS published a study in Health Affairs projecting that national health spending will grow at an average rate of 5.7 percent annually from 2011 to 2021, 0.9 percent faster than GDP growth. The study can be found [here](#).

On June 14th the CDC released a report finding that, prior to 2010 nearly half of U.S. adults were not receiving important preventive services. A news release can be found [here](#).

Other Congressional and State Initiatives

On June 12th Senate Commerce Committee Chairman Jay Rockefeller (D-WV) and Rep. Elijah Cummings (D-MD), Ranking Member of the House Committee on Oversight and Government Reform, sent a letter to House and Senate leadership outlining the findings of their investigation into drug shortages and the “gray market” for prescription drugs. The letter recommends that distributors be required to maintain a “pedigree” of the distribution chain of each item. The letter can be found [here](#).

On June 14th the Senate Appropriations Committee voted 16-14 along party lines to approve a FY 2013 Labor, HHS, Education, and Related Agencies appropriations package. The bill includes \$4 billion for ACA programs. A press release can be found [here](#), and a summary of the package can be found [here](#).

BREAKING: House and Senate negotiators have reached a deal on a final package to reauthorize existing and to create new user fee acts to fund the government’s oversight of drug and medical device programs. The text of the agreement is expected to be made public tonight.

Other Health Care News

The Robert Wood Johnson Foundation released an analysis of the extent of “churning”—individuals moving in and out of eligibility for public programs like Medicaid or premium tax credits—under the ACA. The report predicts that 29.4 million people who qualify for either Medicaid or subsidies will change eligibility from one year to the next. The report can be found [here](#).

Hearings & Mark-ups Scheduled

Senate

There are no scheduled relevant hearing this week in the Senate.

House of Representatives

On June 19th the House Ways & Means Committee will hold a hearing on the Medicare Payment Advisory Commission's (MedPAC) June report to Congress. More information can be found [here](#). The MedPAC report can be found [here](#).

On June 19th the House Appropriations Committee will be marking up legislation to fund a number of government agencies including the FDA. More information on the mark up can be found [here](#).

On June 21st the House Energy & Commerce Subcommittee on Health will hold a hearing entitled "The National Institutes of Health – A Review of Its Reforms, Priorities, and Progress." More information can be found [here](#).