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HEALTH CARE REFORM UPDATE

July 16, 2012

Implementation of the Affordable Care Act (ACA)

In the wake of the Supreme Court's ruling regarding the ACA, officials from several states have made statements on whether their states will participate in the ACA's Exchanges or its Medicaid expansion. A summary of each state's current position, compiled by USA Today, can be seen [here](#).

On July 9th the Department of Health and Human Services (HHS) announced that 89 new Accountable Care Organizations (ACOs) had begun operating as of July 1, 2012. The ACOs are expected to serve more than 2.4 million Medicare beneficiaries. An HHS press release can be found [here](#).

On July 10th HHS announced that more than 16 million people with Medicare have received free preventative services in 2012. An HHS news release can be seen [here](#).

On July 10th Virginia Governor Bob McDonnell (R), on behalf of the Republican Governors Association, sent a seven-page letter to President Obama sharply criticizing several provisions of the ACA and asking several questions about the administration's plans for implementing federal Exchanges and the Medicaid expansion under the ACA. On July 13th Marilyn Tavenner – Acting Administrator for the Centers for Medicare and Medicaid Services (CMS) – sent a response answering some of the questions and emphasizing that CMS is open to working with individual states. The response clarified that there is no deadline for states to inform CMS of a decision to expand Medicaid and that states that ultimately decide not to implement the Medicaid expansion would not be required to repay federal grants they had received to implement the expansion. Governor McDonnell's letter can be seen [here](#). Ms. Tavenner's response can be seen [here](#).

Only July 11th the House voted to repeal the Affordable Care Act. The vote was 244-185, with five Democrats voting in favor of repeal. A record of the vote can be seen [here](#). A floor statement by House Speaker John Boehner urging colleagues to vote for the repeal can be seen [here](#). A statement by

Democratic Leader Nancy Pelosi opposing the repeal can be seen [here](#). Just two days before, the White House pledged to veto the bill if it were to pass the Senate as well.

On July 11th twelve states—California, Colorado, Connecticut, Hawaii, Massachusetts, Maryland, Minnesota, New York, Oregon, Rhode Island, Vermont and Washington—sent letters to HHS indicating their intention to set up state-based exchanges through the ACA. The letters can be seen [here](#).

On July 13th CMS announced that it had given an \$85 million loan to Aarches Community Health Care in Utah to launch a new Consumer Operated and Oriented Plan (CO-OP). Aarches will be the seventeenth CO-OP created under the ACA's loan program. The CMS announcement can be seen [here](#).

Other HHS and Federal Regulatory Initiatives

On July 10th the Department of Veterans Affairs announced a new initiative—the Specialty Care Access Network-Extension for Community Healthcare Outcomes (SCAN-ECHO)— to increase access to specialty care for veterans in medically underserved and rural areas via video conferencing. A press release can be seen [here](#).

On July 10th the FDA announced that it had approved a risk management plan for opioid medications known as extended release and long acting opioid analgesics. The FDA announcement can be seen [here](#).

On July 11th the Medicare Payment Advisory Commission (MedPAC) sent a letter to CMS expressing its concerns about CMS's planned state-based demonstrations for individuals enrolled in both Medicare and Medicaid ("dual eligibles"). The letter acknowledges the value of the demonstrations, but expresses concerns about their size and scope. The letter also addresses concerns about "passive enrollment" and emphasizes that, although passively enrolling beneficiaries is important to the demonstrations, beneficiaries must be given a clear opportunity opt out throughout the process. The letter can be read [here](#).

Other Congressional and State Initiatives

On July 9th President Obama signed the FDA Safety and Innovation Act into law, which had been passed by Congress the previous week. HHS Secretary Sebelius released a statement praising the bipartisan passage of the law. A statement from HHS can be seen [here](#).

Other Health Care News

On July 10th the Institute of Medicine released a report finding the country is not prepared to deal with the mental health needs of the aging baby boomer population. The report can be found [here](#).

Only July 13th the Institute of Medicine released a report recommending that soldiers returning from Iraq and Afghanistan receive annual screenings for post-traumatic stress disorder. A copy of the report can be seen [here](#).

Hearing & Markups Scheduled

Senate

On July 18th at 2:00 pm the Senate Special Aging Committee will hold a hearing entitled “Examining Medicare and Medicaid Coordination for Dual-Eligibles.” More information can be found [here](#).

House of Representatives

On July 18th at 10:00 am the House Energy & Commerce Subcommittee on Health will hold a hearing entitled “Using Innovation to Reform Medicare Physician Payment.” More information can be found [here](#).

On July 18th at 10:00 am the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies will hold a markup of the FY 2013 appropriations bill. More information can be found [here](#).

On July 19th at 10:00 am the House Small Business Subcommittee on Investigations, Oversight and Regulations will hold a hearing entitled “Health Care Realignment and Regulation: The Demise of Small and Solo Medical Practices?” More information can be found [here](#).