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HEALTH CARE REFORM UPDATE

July 2, 2012

Leading the News

On June 28th, in a much-awaited decision in the landmark case against the ACA brought by 26 states and the National Federation of Independent Business, the Supreme Court largely upheld the health reform law and affirmed the constitutionality of the individual mandate by the narrow margin of 5-4. Conservative Chief Justice John Roberts, appointed by President George W. Bush, sided with the 4 liberal-leaning Justices and provided the deciding opinion in favor of the ACA. The Court found that the ACA's individual mandate was not a valid use of Congress's interstate commerce power but was a valid exercise of Congress's taxing power. The law's expansion of the Medicaid program was held to be unconstitutionally coercive of state governments, but rather than strike down the expansion entirely, the Court ruled that it could continue as an option for states. The opinions can be seen [here](#).

A more detailed summary of the decision prepared by Mintz Levin and ML Strategies professionals can be found [here](#).

The White House gave an announcement regarding the decision and an overview of the ACA after the announcement, which can be seen [here](#). President Obama's full remarks on the ruling can be seen [here](#).

GOP Presidential candidate Mitt Romney said he would repeal the law if elected; the full text of his speech can be viewed [here](#).

Implementation of the Affordable Care Act (ACA)

On June 25th CMS announced that, so far, over 5.2 million people with Medicare have saved \$3.7 billion on prescription drugs due to the ACA's closing of the prescription drug "donut hole." The average savings for seniors and people with disabilities in the first five months of 2012 was \$651.00. The announcement can be seen [here](#).

On June 26th House Ways & Means Health Subcommittee Chairman Wally Herger (R-CA) and Rep. Dave Reichert (R-WA) sent a letter to AARP questioning the non-profit organization's support of the ACA. The letter cites a report from Energy & Commerce Committee Republicans finding that AARP members opposed the law and that the organization itself stands to gain at least \$1 billion through the law's implementation. A copy of the letter can be seen [here](#).

On June 29th HHS Secretary Kathleen Sebelius announced new opportunities for states to apply for grants to help establish state-based exchanges or federal-state partnership exchanges. The announcement can be seen [here](#).

Other HHS and Federal Regulatory Initiatives

On June 25th the U.S. Preventive Services Task Force (USPSTF) recommended that doctors should screen all adults for obesity and refer at risk patients to intensive diet and exercise programs if needed. Reuters coverage of the recommendation can be found [here](#). The USPSTF's recommendation can be read [here](#).

On June 26th The Government Accountability Office released a report stating that HHS needs to improve its oversight of the protected prescription drug data for Medicare beneficiaries. The report can be found [here](#).

On June 28th the U.S. Veterans Affairs Department announced that it would be launching a five-hospital pilot program to study how using telemedicine can improve care for military veterans with concussions or mild traumatic brain injury. Almost 180,000 veterans returning from military service suffer from brain injuries, according to data from the Indiana University (IU) School of Medicine in Indianapolis. The release from IU who will be working to design the system can be found [here](#).

Other Congressional and State Initiatives

On June 26th the Alaska Department of Health and Social Services (DHSS) agreed to pay the U.S. Department of Health and Human Services' (HHS) \$1,700,000 to settle possible violations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Security Rule. Alaska DHSS has also agreed to take corrective action to properly safeguard the electronic protected health information (ePHI) of their Medicaid beneficiaries. An HHS press release can be seen [here](#).

On June 26th the Senate passed the final FDA user fee bill, 92-4. The bill has been presented to President Obama for his signature. A statement from Sens. Tom Harkin (D-IA) and Mike Enzi (R-WY), Chairman and Ranking Member of the Senate HELP Committee, can be found [here](#).

Hearings & Mark-ups Scheduled

The House of Representatives and the Senate are both on recess this week.