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HEALTH CARE REFORM UPDATE July 8th, 2013

Leading the News

Employer Mandate Delayed Until 2015

On July 2nd, the Obama Administration [announced](#) that the employer mandate of the Affordable Care Act (ACA) will not be implemented until 2015, after the midterm elections. The notice, issued by the Treasury Department, suggests the delay will allow for additional consideration on ways to simplify employer reporting requirements. On July 3rd, Republicans on the House Energy and Commerce Committee sent [letters](#) to Health and Human Services (HHS) Secretary Sebelius and Treasury Secretary Jack Lew with questions on why the ACA employer mandate now faces a delay. Critics on the Committee suggest a delay contradicts earlier statements made by officials within the Obama Administration that ACA implementation is on track. In addition, the House Ways and Means Subcommittee on Health will hold a hearing to examine the decision to delay the employer mandate and the employer information reporting requirements.

Chris Jennings to Join White House as Health Policy Strategist

On July 7th, it was reported that Chris Jennings, a former Clinton Administration health policy strategist, will be joining the Obama Administration as Health Policy Coordinator and Strategist. The White House is expected to announce Jennings' recruitment, in addition to other new health personnel, later this week. White House Chief of Staff Denis McDonough commented that they are "excited to have someone with the depth of knowledge and expertise that Chris has" join the team, adding that Jennings' will be "an invaluable addition."

Implementation of the Affordable Care Act

On June 26th, Rep. Darrell Issa (R-CA) [wrote](#) to HHS Secretary Sebelius with concerns over laws in Vermont and the District of Columbia that require all individuals and small businesses to purchase insurance through the state exchanges.

On June 28th, Judge Beryl Howell of the U.S. District Court for D.C. [ruled against](#) a challenge to the individual mandate of the ACA. The plaintiff suggested the individual mandate violated the Origination Clause of the Constitution, which requires revenue-raising bill to originate in the House. Judge Howell ruled that any revenue raised from the mandate is merely incidental.

On July 2nd, a [report](#) released by the Government Accountability Office (GAO) indicated states have received over \$3.7 billion to develop ACA exchanges. About 85% of the funding has gone to states that will operate their own exchanges.

On July 4th, the Obama Administration [announced](#) the British company Serco received a contract of over \$1 billion to help the government review ACA subsidy and Medicaid applications.

On July 5th, the Centers for Medicare and Medicaid Services (CMS) issued a [final rule](#) that addresses ACA exchange eligibility and essential health benefits within alternative benefit plans. As part of the rule, college students who attend schools that self-fund insurance plans will still be able to receive ACA subsidies for insurance.

Other HHS and Federal Regulatory Initiatives

On July 2nd, HHS released its [Health IT Patient Safety Action and Surveillance Plan](#), which the Department hopes will make health care safer and more efficient.

On July 2nd, HHS [announced](#) 41 state agencies, community health centers, and school-based organizations in 22 states received \$32 million in grants to help enroll children in Medicaid and the Children's Health Insurance Program (CHIP).

Other Congressional and State Initiatives

On July 1st, Rep. Jim McDermott (D-WA), Ranking Member on the House Ways and Means Subcommittee on Health, [issued a request](#) for the IRS to reexamine hospital bond rules and encourage facilities to experiment with new payment models.

Hearings and Mark-Ups Scheduled

Senate

On July 9th, the Senate Appropriations Labor, HHS, and Education Subcommittee will hold a [markup](#) of the FY 2014 appropriations bill for the three Departments.

On July 10th, the Senate Finance Committee will hold a [hearing](#) on reform to the Medicare Sustainable Growth Rate physician payment method.

On July 11th, the full Senate Appropriations Committee will hold a [markup](#) of the FY 2014 appropriations bill for the Departments of Labor, HHS, and Education.

House of Representatives

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On July 8th, the House Energy and Commerce Health Subcommittee will hold a [hearing](#) on the ACA's impact on Medicaid.

On July 9th, the House Veterans' Affairs Health Subcommittee will hold a [hearing](#) on the Long-Term Care Veterans Choice Act.

On July 10th, the House Ways and Means Health Subcommittee will hold a [hearing](#) on the delay of the ACA's employer mandate.