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**Jeremy Rabinovitz**, JRabinovitz@mlstrategies.com  
**Alexander Hecht**, AHecht@mlstrategies.com  
**Joseph P. Hammang, PhD**, JPHammang@mlstrategies.com  
**Andy Shin**, AJShin@mlstrategies.com  
**Abby Matousek**, AMatousek@mlstrategies.com  
**Alyssa Franke**, AFranke@mlstrategies.com

**ML Strategies, LLC**  
701 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004 USA  
202 434 7300  
202 434 7400 fax  
www.mlstrategies.com

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## HEALTH CARE REFORM UPDATE September 23<sup>rd</sup>, 2013

### Leading the News

#### *House Passes CR Funding the Government, Defunding ACA*

On September 20, the House of Representatives **passed** a continuing resolution (CR) funding the government until December 15<sup>th</sup> and defunding the Affordable Care Act (ACA). The bill now moves to the Senate, where Majority Leader Harry Reid (D-NV) has said that Democrats will use a simple majority vote to strip out the provision defunding the ACA. Following House passage of its CR, Senator Reid and Senator Max Baucus (D-MT) **released** a letter from Secretary Sebelius, in which she responded to their concerns about the effect of the Republican CR on Medicare, Medicaid, and Children's Health Insurance Plan beneficiaries. In the letter, Secretary Sebelius stated that the CR would have disastrous effects by removing necessary reforms, disrupting payments, and potentially requiring beneficiaries to pay thousands of dollars out-of-pocket for care.

#### *CMS Proposes Basic Health Program Rule*

On September 20, CMS **released** a proposed rule establishing the Basic Health Program, as required by the ACA, which would provide states the flexibility to establish a health benefits coverage program for low-income consumers who would otherwise be eligible to purchase coverage through the state's health insurance marketplace, but whose incomes might fluctuate or who might have family members eligible for multiple programs. The program would aim to streamline administration of multiple programs and provide continuity for consumers.

### Implementation of the Affordable Care Act

On September 16, Pennsylvania Governor Tom Corbett (R) **announced** that he would support a Medicaid expansion in his state. The expansion would occur as part of his *Healthy Pennsylvania* plan, which would also make a number of reforms to the program.

On September 16, Florida Governor Rick Scott (R) [sent a letter](#) to Speaker John Boehner (R-OH) and Majority Leader Harry Reid (D-NV) in which he raised concerns about the navigators who will be helping to enroll consumers into the federal exchanges.

On September 16, the Department of Health and Human Services (HHS) [released](#) a report which found that 56% of eligible uninsured individuals will be able to purchase health insurance coverage for less than \$100 a month under the ACA.

On September 18, the House Oversight and Government Reform Committee [released](#) a report claiming that top HHS officials have admitted that the Navigator program lacks basic safeguards against abuse and fraud. The same day, Democrats on the House Energy and Commerce Committee [released](#) the results of their own review into the Navigator program, which found no basis for Republican Members' criticisms.

On September 18, the HHS Office of the Inspector General [released](#) a consumer alert, warning consumers about the potential for scammers claiming to work with the ACA exchanges.

On September 18, Senator Orrin Hatch (R-UT) [introduced](#) the Trust But Verify Act, similar to Representative Black's (R-TN) House income verification bill, which would require consumers' income to be verified before subsidies on the health exchange can be provided.

On September 18, The ERISA Industry Committee [released](#) poll results which found that 94% of its large employer members will be providing an Exchange notice to their employees on October 1<sup>st</sup>.

On September 18, the Centers for Medicare and Medicaid Services (CMS) [proposed](#) a rule which would set methodology and payment rates for a prospective payment system for federally qualified health center services. It would also allow rural health clinics to contract with nonphysician practitioners, such as nurse practitioners.

On September 20, HHS [announced](#) \$2.5 million in grants will be provided to rural health organizations to help them inform consumers about the ACA and the options available to them through the State Health Insurance Marketplaces.

In the September issue of *Health Affairs*, economists from the CMS Office of the Actuary [published](#) a report which found that health care spending growth will remain at 4 percent this year before rising to 6.1% in 2014, and averaging 6% through 2022. Of this growth, 1.6% is a result of the ACA.

### **Other HHS and Federal Regulatory Initiatives**

On September 17, the Centers for Disease Control and Prevention (CDC) [released](#) a report which outlined the threats and burden posed by antibiotic resistant germs.

On September 17, the Department of Labor [extended](#) minimum wage requirements and overtime protections to direct care workers, including home health aides. The rule will be effective beginning on January 1<sup>st</sup>, 2015.

On September 18, the Food and Drug Administration (FDA) [issued](#) a final device identification rule requiring most medical devices to have a unique identification number that can be stored in a central database maintained by the FDA.

On September 19, HHS Secretary Sebelius [announced](#) that enrollment in Medicare Advantage (MA) plans is projected to rise for the fourth straight year, with more seniors choosing higher quality plans.

On September 19, the U.S. Government Accountability Office (GAO) [announced](#) the appointment of Grayson Norquist, MD, as Chair of the Board of Governors for the Patient-Centered Outcomes Research Institute (PCORI). In addition, Steven Lipstein, MHA, was appointed as PCORI Vice Chair.

### **Other Congressional and State Initiatives**

On September 16, Representatives Henry Waxman (D-CA), Diana DeGette (D-CO), Frank Pallone (D-NJ) and John Dingell (D-MI) [sent a letter](#) to FDA Commissioner Margaret Hamburg asking the FDA to regulate e-cigarettes.

On September 16, the Congressional Budget Office (CBO) [reported](#) that H.R. 3102, the House Republican bill which would authorize the Supplemental Nutrition Assistance Program for three years, would remove benefits from 3.8 million individuals in 2014 and lower federal spending by \$39 billion over 10 years.

On September 18, twenty-one Republican Senators, led by Senators Lamar Alexander (R-TN), Orrin Hatch (R-UT), and John Thune (R-SD) [sent a letter](#) to Office of Management and Budget (OMB) Director Sylvia Burwell, asking her to prevent the Administration from making any special exemptions allowing union health plans to receive premium assistance tax credits.

On September 18, Chairman of the House Committee on Education and the Workforce John Kline (R-MN) and Chairman of the Subcommittee on Health, Employment, Labor, and Pensions Phil Roe (R-TN) [sent a letter](#) to the Secretary of the Department of the Labor and the OMB Director, asking them to prevent the Administration from making any special exemptions allowing union health plans to receive premium assistance tax credits.

On September 18, the House Oversight and Government Reform Committee [held a hearing](#) to examine concerns raised by state government representatives and officials from Kansas, South Carolina, Louisiana, and Florida about the implementation of the ACA.

On September 18, Republican Study Committee (RSC) Chairman Steve Scalise (R-LA) and RSC Health Care Working Group Chairman Phil Roe (R-TN) [released](#) the American Health Care Reform Act, a bill to repeal the ACA and replace it with a Republican alternative.

On September 19, Representative Frank Pallone (D-NJ), Representative Rosa DeLauro (D-CT), and Senator Richard Blumenthal (D-CT) [introduced](#) the “Food Labeling Modernization Act of 2013,” which will require HHS to establish a single, standard front of package nutrition labeling system, and would set new guidelines for how food products are marketed.

On September 19, Representative Tim Murphy (R-PA) [outlined](#) his mental health reform agenda, which will address the lack of inpatient treatment options, require data collection on violence and mental illness, require law enforcement training on how to respond to a mental health emergency, and address the challenges of providing coordinated care for mental health patients.

### **Other Health Care News**

On September 17, the Census Bureau [released](#) its “Income, Poverty, and Health Insurance Coverage in the United States” report that found the percentage of individuals without health insurance fell from 15.7 to 15.4% between 2012 and 2011.

On September 17, the CBO [released](#) their 2013 Long-Term Budget Outlook which found that federal spending on major health care programs, in addition to Social Security, will grow to 14% of GDP by 2038. That rise was attributed to rising health care costs, health insurance subsidies, and an aging population.

On September 18, the Working Group on Pharmaceutical Safety [released](#) the results of a poll which found that 87% of Americans feel it is “very important” for their doctor to tell them if they are prescribed non-FDA approved prescription drugs, and 77% supported legislation giving the FDA greater authority to regulate compounding drugs and compounded pharmacies.

On September 18, the CBO [released](#) an analysis in which they modeled two premium support options for Medicare, both of which would reduce spending on Medicare, lower premiums, and reduce out-of-pocket costs.

On September 20, seventeen public health groups [sent a letter](#) to the Chairmen and Ranking Members of the Senate Health, Education, Labor and Pensions Committee and to the House Energy and Commerce Committee, asking both committees to pass proposed “track and trace” and compounding legislation regulating the U.S. pharmaceutical distribution supply chain.

### **Hearings and Mark-Ups Scheduled**

#### *Senate*

On September 24, the Senate Health, Education, Labor and Pensions Committee will hold a [hearing](#) titled “U.S. Efforts to Reduce Healthcare-Associated Infections.”

On September 26, the Children and Families Subcommittee of Senate Health, Education, Labor and Pensions Committee will hold a [hearing](#) on newborn screening systems.