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HEALTH CARE REFORM UPDATE

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Implementation of the Affordable Care Act

On September 17th the Patient-Centered Outcomes Research Institute (PCORI) set up by the ACA, announced a second cycle of funding requests for research in comparative clinical effectiveness. Up to \$96 million may be requested for studies in comparative clinical effectiveness research designed to help patients and those who care for them make better-informed health and health care decisions. More details and the press release can be found [here](#).

On September 17th the College of the Ozarks in Missouri filed suit against the Departments of Health and Human Services (HHS), Labor, and Treasury regarding the Contraceptive Mandate of the ACA. College president Jeffrey Davis indicated his belief that the school should receive a religious institution exemption from having to cover contraceptive care as part of an employee health insurance plan. A press release from the college can be seen [here](#). The filed complaint can be found [here](#).

On September 18th Milliman reported to the state of Indiana that taking the entire Medicaid expansion option of the ACA will increase costs by \$2 billion for the state between 2014 and 2020. Indiana will incur increased costs of \$611 million even if it does not choose the Medicaid expansion option. The full report can be seen [here](#).

On September 18th the Center for American Progress issued a report criticizing the fee-for-service payment system currently used in American health care, which rewards quantity over quality. The report states the ACA includes effective reforms that are designed to move away from fee-for service to control costs and improve care. The full report can be seen [here](#).

On September 19th the Congressional Budget Office (CBO) issued a report estimating that in 2016 about 6 million people will pay a penalty for being uninsured. The penalty payments from these 6 million individuals will contribute a total of approximately \$7 billion in total revenue collections for 2016. The report from CBO can be read [here](#).

On September 21st HHS announced that the ACA will save Medicare beneficiaries an average of \$5,000 through 2022. HHS Secretary Kathleen Sebelius also noted that the closure of the donut hole saved an average of \$641 for Medicare beneficiaries in the first eight months of 2012. Also more than 19 million people with traditional Medicare received at least one preventative service at no cost. The full press release from HHS can be seen [here](#).

Other HHS and Federal Regulatory Initiatives

On September 17th HHS and the Department of Veterans Affairs (VA) announced new standards that will allow for the effective sharing of secure and sensitive patient health care information among providers using electronic health records (EHRs). Sensitive information can now be tagged so that when it is sent to a second party with the patient's permission, the receiving provider will know that additional approval is needed to further distribute the sensitive information. A press release from HHS can be found [here](#).

On September 17th the Centers for Medicare and Medicaid Services (CMS) announced it is accepting applications for the State Innovations Models Initiative, which is a funding opportunity for states to test multi-payer payment and delivery models. The application submission guidance page can be found [here](#).

On September 17th the U.S. Government Accountability Office (GAO) released a report indicating that an increasing number of states use managed care to provide services to Medicaid beneficiaries. The GAO identified four different groups of states, from those that are reliant on primary care case management (PCCM) to those states that enroll a higher number of beneficiaries in managed care organizations (MCO). The full report can be found [here](#).

On September 19th HHS announced that enrollment in the Medicare Advantage (MA) program is projected to increase by 11 percent in the next year. The average MA premium in 2013 is projected to increase by only \$1.47 from last year, coming to \$32.59. A press release from HHS can be seen [here](#).

On September 19th the Senate Aging Committee addressed Medicare fraud and claims for power chairs and scooters made by Medicare beneficiaries. The HHS Office of Inspector General says that \$95 million is spent on claims for power wheelchairs that are medically unnecessary or lack sufficient documentation to show medical necessity. According to the report, 80 percent of claims for power chairs do not meet Medicare requirements. The actual report can be found [here](#).

Other Congressional and State Initiatives

On September 17th the *Boston Globe* reported that physician assistants are taking on a larger role in Massachusetts. Under the state's new health care cost-control law, legislators are counting on physician assistants as critical partners in the effort to curb medical spending, improve the coordination of treatment, and give patients easier access to basic care amid a shortage of primary care doctors. The article on the topic can be read [here](#).

On September 18th Minnesota Governor Mark Dayton announced his intention to seek federal approval for a state-created health insurance exchange. The exchange, which proponents say will ease

the insurance-buying experience, is expected to be an option for over 1.2 million Minnesotans. A full article on the governor's move can be read [here](#).

On September 20th the House Energy and Commerce Committee held a mark-up and approved two health bills: H.R. 1063, *Strengthening Medicare and Repaying Taxpayers (SMART) Act* and H.R. 1206, *the Access to Professional Health Insurance Advisors Act* (H.R. 1206). H.R. 1063 would streamline the Medicare Secondary Payer program to speed up the process of returning money to the Medicare Trust Fund while reducing legal barriers for both large and small employers. It was approved unanimously by voice vote. H.R. 1206 would exclude health insurance broker and agent commissions from the Medical Loss Ratio (MLR) requirements. It was voted 26 to 14 out of Committee. A press release from Committee Chairman Upton can be found [here](#).

Other Health Care News

On September 18th the Robert Wood Johnson Foundation and the Trust for America's Health released their annual report on obesity in America. Projections indicate that if the United States continues with current trends, adult obesity rates could reach or exceed 44 percent in all 50 states. The report also forecasts rising rates of heart disease, diabetes, and cancer linked to the epidemic and the price tag needed to treat them. The full report can be found [here](#).

On September 18th the *Campaign to Fix the Debt*, founded by Erskine Bowles and former Sen. Alan Simpson, announced a \$25 million campaign to encourage policymakers to pass meaningful debt legislation. The \$25 million war chest constitutes what will likely be the largest bipartisan campaign effort during the 2012 election cycle. Among other issues, the Campaign will advocate for meaningful entitlement reform. A full press release can be found [here](#).

On September 18th the American Academy of Family Physicians released a report indicating the importance of a primary care physician for each patient-centered medical home. The Academy says that advanced practice nurses do not fill the entire void presented by the lack of a physician. The full report can be found [here](#).

On September 21st the National Committee for Quality Assurance (NCQA) released new rankings of health insurance plans. The Alliance for Community Health Plans (ACHP) noted its members claimed the top ten plans in the Medicare rankings, and the Association for Community Affiliated Plans (ACAP) said five of the top ten U.S. Medicaid insurance plans are Safety Net Health Plans. The full rankings can be found [here](#).

On September 24th Politico and George Washington University released its battleground poll for the 2012 elections. Eight percent of respondents indicated health care costs as the most important priority in the election, while another seven percent cited Medicare and Social Security as extremely important. President Obama surveyed better than Governor Mitt Romney on the question of who would better handle Medicare. The full poll results can be seen [here](#).

Hearings and Mark-Ups Scheduled

Both the Senate and the House of Representatives are in recess.