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HEALTH CARE REFORM UPDATE

January 30, 2012

Implementation of the Affordable Care Act (ACA)

On January 23rd the Patient-Centered Outcomes Research Institute (PCORI) issued a draft research agenda. The ACA tasks PCORI with identifying national priorities for health care research. The agenda is open to public comment until March 15, 2012. More information can be found [here](#).

On January 25th the Department of Health and Human Services (HHS) released a document listing the top three group insurance plans in each state. The list is intended to “facilitate a better understanding” of the essential health benefits (EHBs) that health plans must cover under the ACA. Last month, HHS released a bulletin stating that each state will be able to choose from among the largest group plans in the state to create a “benchmark” for EHBs within that state. The list can be found [here](#).

On January 27th HHS denied Texas’ request for a waiver from the ACA’s medical-loss ratio (MLR) requirements. News coverage can be found [here](#), and the HHS determination letter – as well as other information on Texas’ application - can be found [here](#).

On January 27th Republicans on the House Energy & Commerce Committee and the Senate Finance Committee sent a letter to Acting CMS Administrator Marilyn Tavenner requesting an update on the status of plans to change reimbursement rates for drugs in the Medicaid program as required by the ACA. A copy of the letter can be found [here](#). Later that day, HHS released the proposed rule, which can be found [here](#).

Other HHS and Federal Regulatory Initiatives

On January 26th the Government Accountability Office (GAO) issued a report finding significant inconsistencies in the way that risk-adjustment calculations are performed. The report indicates a possibility that, because of the inconsistencies, CMS could be overpaying Medicare Advantage plans by between \$4 and \$7 billion dollars annually. The report can be found [here](#).

On January 26th the Office of the National Coordinator for Health IT announced a Discharge Follow-Up Appointment Care Transitions Challenge. The challenge asks innovators to find a way, using health IT, to ensure that patients discharged from the hospital get follow-up appointments with their primary care physicians. A press release can be found [here](#).

On January 26th Centers for Medicare and Medicaid Services (CMS) hosted a Care Innovations Summit as a means for sharing recent innovations—both public and private—in health care. A summary of news coverage of the summit can be found [here](#).

On January 27th the Federal Trade Commission (FTC) sued Omnicare over its proposed acquisition of PharMerica Corporation, a move which would have consolidated the country's largest long-term care pharmacies. The FTC press release can be found [here](#).

Other Congressional and State Initiatives

On January 24th Vermont released a report summarizing specific steps that the state plans to take in implementing its expansive health care reform, including moving to a single-payer system. The report, entitled "Strategic Plan for Vermont Health Reform, 2012-2014," can be found [here](#).

Several Congressional Republicans have made statements indicating their plans for health care in 2012. On January 22nd House Speaker John Boehner (R-OH) indicated that a recent bipartisan proposal floated by Senator Ron Wyden (D-OR) and Congressman Paul Ryan (R-WI) was a possible framework to address Medicare. On January 25th Rep. Joe Pitts (R-PA), Chairman of the Energy & Commerce Subcommittee on Health, said that House Republicans were preparing a bill to replace the ACA should it be struck down. An article describing Boehner's comments can be found [here](#). A news article describing the comments can be found [here](#).

Other Health Care News

On January 23rd the Supreme Court rejected a request by the organization *Freedom Watch* to participate in oral arguments in order to present reasons they claim disqualify Justice Elena Kagan from hearing the case on the ACA. A response to the decision by *Freedom Watch* can be found [here](#).

On January 23rd, following an [announcement](#) by HHS that it will not exempt health plans provided by religious employers from the requirement to pay for contraception, the U.S. Conference of Catholic Bishops issued a series of statements condemning the decision and vowing to fight it. A press release can be found [here](#). An op-ed in the Wall Street Journal from Conference President Timothy Dolan can be found [here](#).

On January 23rd the Robert Wood Johnson Foundation and the Urban Institute released a study describing the progress of the states in implementing health care reform. The report lists fifteen states that have made "little or no progress" in implementing the law, and points out that these same states are also the states that, if they fully implemented the law, would see the largest reduction in uninsurance and receive the largest federal subsidies. The report comes one week after the White House issued a report giving a more optimistic summary of states' implementation efforts. The report can be found [here](#).

On January 23rd several consumer groups, including Consumers Union, AARP, and the American Cancer Society, sent a letter to the White House requesting that the administration "promptly, effectively, and fully" implement a final rule on the "Summary of Benefits and Coverage." Under the ACA, insurers are required to provide a summary of coverage on standardized forms designed by HHS. Draft forms were released last summer, but no finalized forms have been released. The letter can be found [here](#).

On January 24th Gallup released the results of a poll showing that 17.1 percent of American adults lacked health insurance in 2011. This represents the fourth year in a row of rising uninsurance rates. Republicans on the House Ways & Means Committee quickly issued a response implying that the drop is tied to the ACA. The poll results can be found [here](#). The Republican response can be found [here](#).

On January 24th the CDC released a data brief describing rates of uninsurance among the unemployed. The report finds that only 48.1 percent of unemployed adults have health insurance, compared to 81.4 percent of employed adults. Even insured unemployed adults were less healthy and less likely to get needed care and medication. The brief can be found [here](#).

On January 24th *Health Affairs* released a report describing how Massachusetts' health reform has affected coverage and costs in the state. The percentage of non-elderly adults with insurance rose from 86.6 percent in 2006 to 94.2 percent in 2010—well over the national average of 77 percent. Costs rose at the same time. The average employee contribution for family coverage went from \$3,128 to \$3,444. The report can be found [here](#).

On January 26th FamilesUSA released a report detailing the similarities between the Massachusetts health reform and the ACA. The report can be found [here](#).

On January 27th the Bipartisan Policy Center released a report describing a number of current issues in health IT and making a number of recommendations to spur its adoption. The report can be found [here](#).

Hearings & Mark-ups Scheduled

Senate

No relevant hearings.

House of Representatives

On February 1st the House Energy & Commerce Subcommittee on Health will hold a hearing entitled "Reauthorization of PDUFA: What It Means for Jobs, Innovation, and Patients." More information can be found [here](#).

On February 1st the House Veteran's Affairs will hold a hearing entitled "Examining VA's Pharmaceutical Prime Vendor Contract." More information can be found [here](#).