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## HEALTH CARE REFORM UPDATE

January 7, 2013

### Leading the News

On January 1<sup>st</sup> the Senate approved a legislative package, the *American Taxpayer Relief Act (H.R. 8)*, by a vote of 89-8. This measure prevented the United States from going over the “Fiscal Cliff,” a series of across-the-board tax increases and spending cuts that would have automatically implemented without intervening legislative action. Later that day, the House voted to approve the Senate package by a vote of 257-167. The bill also provides a yearlong doc-fix extension through 2013 that prevents a 27% reimbursement cut to physicians who treat Medicare patients.

A legislative alert and summary of the bill’s health-related provisions prepared by ML Strategies and Mint Levin can be viewed [here](#).

On January 2<sup>nd</sup> President Obama ordered that his signature be affixed to *American Taxpayer Relief Act (H.R. 8)*. The official copy of the high-profile bill was signed at Obama's direction with an autopen.

### Implementation of the Affordable Care Act

On December 28<sup>th</sup> the Internal Revenue Service (IRS) issued new proposed rules on the obligations of large employers under the Affordable Care Act (ACA). The IRS says that large employers must cover the families of employees and the proposed rules answer questions on how the full-time status of foreign and seasonal workers should be calculated. The entire document from the IRS can be read [here](#).

On January 3<sup>rd</sup> Department of Health and Human Services (HHS) Secretary Kathleen Sebelius gave Utah conditional approval that allows the state, with some requirements, to run its small business exchange. Avenue H, Utah's current program, must add individual coverage and include other provisions of the ACA. The letter to Utah granting approval of its plan is available [here](#). Utah's initial blueprint is available [here](#).

On January 3<sup>rd</sup> HHS announced that States that want to transition from a partnership exchange to a fully state-based exchange in 2015 must file a blueprint with HHS by Nov. 18, 2013. Guidance from the Department can be viewed [here](#).

On January 3<sup>rd</sup> the Hattiesburg American reported that Governor Phil Bryant (R) and the Insurance Commissioner of Mississippi are at a disagreement over which person may direct the future of the health insurance exchange in the state. Commissioner Chaney submitted a plan for approval by HHS in November, but Gov. Bryant has objected to the move and says he ultimately controls any decisions on an exchange. The full article over the disagreement is available [here](#).

On January 3<sup>rd</sup> the National Physicians Alliance and the American Medical Student Association wrote a letter to the Obama administration that urged for the full implementation of the Physician Payments Sunshine Act (PPSA), a part of the ACA. The PPSA requires that companies which manufacture drugs, medical devices, and biologic and medical equipment report appropriate data to the Centers for Medicare and Medicaid Services (CMS). An article with details on the request from the National Physicians Alliance and the American Medical Student Association can be read [here](#). The actual letter is available [here](#).

On January 3<sup>rd</sup> the Triune Health Group received a preliminary injunction from the U.S. District Court of the Northern District of Illinois that exempts Triune from the contraceptive mandate for insurance coverage in the ACA. The court order is available [here](#).

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

On January 2<sup>nd</sup> HHS announced that the Hospice of North Idaho agreed to pay \$50,000 to settle potential violations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Security Rule. The violation of HIPAA occurred when an unencrypted laptop containing health information of 441 patients was stolen in June 2010. The press release from HHS is available [here](#).

On January 3<sup>rd</sup> the Centers for Disease Control and Prevention (CDC) issued a pair of studies from federal researchers that found that some younger women are failing to get needed first-time pap smears while many women who have had hysterectomies are receiving unneeded pap smears. The studies are available [here](#). A press release from the CDC can be found [here](#).

On January 4<sup>th</sup> the Food and Drug Administration (FDA) published two rules, as part of the *FDA Food Safety Modernization Act (FSMA)*, on food safety, including regulations that will help prevent foodborne illness. The two FSMA rules are part of an integrated reform effort that focuses on prevention and addresses the safety of foods produced domestically and imported. The first rule addresses good manufacturing practices and the second puts forth standards on growing, handling and packaging produce. A press release from the FDA can be viewed [here](#). The rules are available [here](#).

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

On January 2<sup>nd</sup> the Guttmacher Institute released a report noting that 2012 marked the second-highest number of abortion restrictions enacted by states across the country. In the past year, 43 provisions in 19 states sought to restrict abortion services. The report on the increased restrictions can be read [here](#).

On January 2<sup>nd</sup> Representative James Lankford (R-OK) was announced by Representative Darrell Issa (R-CA) of the the Chairman of the new Energy Policy, Health Care and Entitlements subcommittee of the House Oversight and Government Reform Committee. An article on the announcement is available [here](#).

On January 3<sup>rd</sup> Colorado Governor John Hickenlooper (D) announced that he would add 200,000 Coloradans to the state's Medicaid rolls. The Governor said that the expansion would save more than \$280 million in Medicaid spending over 10 years. Gov. Hickenlooper filed a budget in November that omitted expansion, suggesting he intended to wait for more information from Washington before making a final call. A press release from the Governor's office can be seen [here](#).

### **Other Health Care News**

On December 26<sup>th</sup> the American Medical Association reached out to doctors to remind them that patient welfare must always come first and not be overridden by the economic interests of hospitals that now employ doctors in growing numbers. This is in reaction to hospitals buying up medical practices around the country and seeking to make the most of their investment. An article on the story can be read [here](#).

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

*No relevant hearings are currently scheduled for the Senate or the House of Representatives.*