

Joseph P. Hammang, PhD, JPHammang@mlstrategies.com Alexander Hecht, AHecht@mlstrategies.com Andrew Shin, AJShin@mlstrategies.com Abby Matousek, AMatousek@mlstrategies.com

FOLLOW US ON TWITTER: @MLStrategies

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

November 17, 2014

# **Health Care Update**

Smoother Open Enrollment Sets Stage for Shift in Congressional Focus: On November 15<sup>th</sup>, the Health Insurance Marketplace began its second Open Enrollment period under the Affordable Care Act (ACA) law. Those who already have a health plan are also able to update applications, compare plans, and choose an option that meets the consumers' health and financial needs. The deadline for first-time coverage is February 15, 2015 while the deadline for those making changes is December 15, 2014.

While on the first day of enrollment last year the total number of people able to sign up for health coverage was six, by the end of the day Saturday 100,000 people had successfully submitted applications. Speaking on the Sunday morning shows, Department of Health and Human Services Secretary Burwell announced that in addition to the 100,000 applications, 500,000 consumers were able to log on to HealthCare.gov, and a total of 1 million (now 1.2 million) people had gone "window shopping" for plans. Though not difficult to surpass its performance in 2013, HealthCare.gov did have some minor problems, including some reports of error messages and password issues.

The relative calm from a functioning website this time around likely means a shift in rhetoric from this time last year when most Republican and some Democratic Congressional policymakers jumped on top of the massive glitches to increase "oversight" and calls for ACA repeal.

Instead, other important health policy issues that legislators are discussing in the lame duck include further attempts to replace the flawed Medicare physician formula, known as the Sustainable Growth Rate (SGR), progress on the House Energy and Commerce 21st Century Cures initiative, and a repeal of the medical device tax.

# **Implementation of the Affordable Care Act**

**2015 Enrollment Begins:** Over the weekend, consumers were able to begin signing up for 2015 health insurance plans through HealthCare.gov, the call center, or in-person assistance. Consumers were also able to begin renewing or changing plans for 2015 on HealthCare.gov.

**HHS Publishes 2015 Premium Data:** The Department of Health and Human Services (HHS) released an updated dataset with premiums for insurers offering plans on federal health exchanges in 2015. The data reflects the 34 states operating on the federal exchange and three state-based exchanges.

**HHS Projects Exchange Coverage in 2015:** HHS released new estimates of the number of people enrolled in health care exchanges after 2014 enrollment is completed. The report estimates that 9 to 9.9 million Americans will register for ACA coverage in 2015. This fall short of previous Congressional Budget Office (CBO) estimates that 13 million people would be enrolled in the coming year.

**GAO Report Finds SHOP Enrollment Low:** The Government Accountability Office (GAO) released a report finding that enrollment in the Small Business Health Options Programs (SHOPs) required by the ACA is low, with only 76,000 people enrolled in the 18 states with SHOP exchanges. GAO credits these numbers to lack of interest in the ACA small business tax credits, misunderstanding of SHOP by employers, and delays in certain features of the exchanges.

## **Other Federal Regulatory Initiatives**

**HHS Waiting on 340B Rule:** HHS announced it will delay until 2015 finalizing a rule to clarify the federal 340B drug discount program. The Health Resources and Services Administration (HRSA) posted a **notice** explaining the delay and saying it would instead release guidance in the coming year to tackle "key policy issues raised by various stakeholders committed to the integrity of the 340B program."

**HHS Bulletin on HIPAA Privacy and Emergencies:** The HHS Office for Civil Rights (OCR) released a bulletin reminding providers and patients of responsibilities and right when sharing patient information in emergency circumstances, such as the Ebola outbreak.

**CMS Creating Dialysis Star Ratings System:** CMS finalized its methodology for its new Dialysis Facility Compare (DFC) Star Rating program. The ratings are intended to help consumers make informed decisions about where they choose to receive care.

**CMS Lung Cancer Screening Proposal:** CMS released a new proposed decision memo laying out who should get lung cancer screening. Under the proposal, four million Medicare beneficiaries would be eligible for screening for lung cancer with low dose computed tomography (LDCT), once per year.

**CMS** Awards Health Access Funds to Native Populations: CMS announced the award of \$3.9 million to increase outreach to and enrollment of American Indian and Alaska Native children eligible for Medicaid and the Children's Health Insurance Program (CHIP).

**ONC Announces Health IT Prize:** The Office of the National Coordinator for Health IT (ONC) announced the Market R&D Challenge, which is a \$300,000, year-long commitment by ONC to promote innovation in health IT. The Challenge calls upon health innovators to work with host sites to develop pilot proposals. The ONC will select up to six teams to implement projects.

**ONC Paper on Health IT's Effect on Health Care:** The ONC released a report detailing how federal health IT policy can support health care quality improvement. The report, which as released to complement the agency's interoperability plan, lays out the ONC's principles for health IT, such as interoperability, protecting privacy and security, empowering patients, maintaining flexibility, streamlining requirements, and increasing value.

### **Congressional Initiatives**

Harkin, Alexander Introduce Ebola Treatment Bill: Senate Health, Education, Labor, and Pensions (HELP) Chairman Tom Harkin (D-IA) and Ranking Member Lamar Alexander (R-TN) introduced a bill to incentivize the development of treatments and vaccines for Ebola by adding the disease to the Food and Drug Administration's (FDA) priority review voucher program. The program is intended to speed development of new drugs for tropical diseases.

House Passes Health Bills: The House passed by unanimous consent the Senate versions of three House-passed

bills, the E-LABEL Act (S. 2583), the Sunscreen Innovation Act (S. 2141), and the Traumatic Brain Injury Reauthorization Act (S. 2539).

#### **Other Health Care News**

**Rite Aid Testing Telemedicine Capabilities:** Rite Aid pharmacy announced that it will begin to test telemedicine terminals in Ohio stores beginning in 2015. The goal of the testing, which will occur in stores around Akron, Dayton, and Cleveland, is to expand its reach in the future.

**AMA House of Delegates Approve New Policies:** At the American Medical Association's (AMA) interim meeting of the House of Delegates, the organization approved new policies to address the issue of inadequate insurance networks, to endorse removing penalties from the meaningful use program, and to strengthen confidentiality for dependents. The AMA also approved new policy to support paying for telemedicine services for patients who have difficulty accessing specialists, even if patients are not in shortage areas. The AMA also adopted language supporting the Federation of State Medical Boards (FSMB) interstate compact for licensure.

**eHealth Initiative Releases Interoperability Roadmap:** The eHealth Initiative released a draft of the organization's 2020 Roadmap. The roadmap is a public-private initiative, in collaboration with the ONC, to create a shared vision of policies needed to achieve interoperability by 2020. The document lays out the "first set of priorities and recommendations for the three focus areas: business and clinical motivators; interoperability; and data access and use."

#### **Upcoming Congressional Hearings**

Senate

On November 19<sup>th</sup>, the Senate HELP Committee will hold an executive session to consider a number of health care bills, including to add Ebola to the FDA priority review voucher program.

On November 19<sup>th</sup>, the Senate Homeland Security and Government Affairs Committee will hold a hearing titled, "Preparedness and Response to Public Health Threats: How Ready Are We?"

On November  $20^{th}$ , the Senate HELP Subcommittee on Primary Health and Aging will hold a hearing titled, "Why Are Some Generic Drugs Skyrocketing In Price?"

House

On November 18<sup>th</sup>, the House Foreign Affairs Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations will hold a hearing titled, "Fighting Ebola: A Ground-Level View."

On November 18th, the House Energy and Commerce Subcommittee on Oversight and Investigations will hold a hearing titled, "Update on the U.S. Public Health Response to the Ebola Outbreak."

On November  $19^{th}$ , the House Energy and Commerce Subcommittee on Health will hold a hearing titled, "Examining Medical Product Development in the Wake of the Ebola Epidemic."

On November 19<sup>th</sup>, the House Science, Space, and Technology Subcommittee on Oversight will hold a hearing titled, "The Role of the White House Chief Technology Officer in the HealthCare.gov Website Debacle."

\* \* \*

Boston · Washington www.mlstrategies.com