



## ML Strategies Update

Jeremy Rabinovitz, [JRabinovitz@mlstrategies.com](mailto:JRabinovitz@mlstrategies.com)  
Alexander Hecht, [AHecht@mlstrategies.com](mailto:AHecht@mlstrategies.com)  
Joseph P. Hammang, PhD, [JPHammang@mlstrategies.com](mailto:JPHammang@mlstrategies.com)  
Andrew Shin, [AJShin@mlstrategies.com](mailto:AJShin@mlstrategies.com)  
Abby Matousek, [AMatousek@mlstrategies.com](mailto:AMatousek@mlstrategies.com)  
Alyssa Franke, [AFranke@mlstrategies.com](mailto:AFranke@mlstrategies.com)

**ML Strategies, LLC**  
701 Pennsylvania Avenue, N.W.  
Washington, DC 20004 USA  
202 434 7300  
202 434 7400 fax  
[www.mlstrategies.com](http://www.mlstrategies.com)

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## Health Care Update

- **SGR Fix Advances in the House, Action Planned in Senate:** On Friday, the House voted 238 to 181 to approve [H. Res. 515](#), legislation that would repeal the SGR and pay for it by delaying the individual mandate requirement of the Affordable Care Act (ACA) for five years. In advance of the SGR movement that occurred in both chambers, the Congressional Budget Office (CBO) [released](#) a new estimate finding that suspending the individual mandate until 2019 would save \$169.5 billion- thus more than paying for an SGR replacement currently estimated at \$138 over 11 years. Although the House measure will not likely gain traction in the Senate and the President has promised a veto of the measure, Majority Leader Harry Reid (D-NV) placed [S. 2110](#), an SGR repeal that also includes Medicare extenders but is not paid for, on the Senate calendar for consideration late in March. While Senate Republicans have balked at a permanent “doc fix” without pay fors, Congress must pass a patch or a fix before March 31<sup>st</sup> or physicians who care for Medicare beneficiaries will face a precipitous reimbursement cut. Physician groups’ hopes may be tied to a possible compromise through a conference committee if the Senate measure is somehow passed; however, finding at least 5 Republicans and holding on to all 55 Democrats to overcome a potential filibuster for an unpaid-for bill, could ultimately prove insurmountable.
- **Senate Presses HHS for Details on Budget Following House Testimony:** HHS Secretary Kathleen Sebelius [testified](#) before the House Ways and Means Committee on the President’s FY2015 budget. Hearing questions touched on a number of issues including the individual mandate, SGR reform, ACA premiums, and how much money has been spent standing up the exchanges. In advance of HHS Secretary Sebelius’ testimony in the House Ways and Means Committee, Senator Jeff Sessions (R-AL), Ranking Member on the Senate Budget Committee, [wrote](#) to Chairman Patty Murray (D-WA) requesting a Senate hearing on HHS’ budget. In addition, Senator Jerry Moran (R-KS) wrote to the Administration, charging that HHS’s budget proposal contains “evasive and ambiguous figures” and that the one-page summary of where funding for the Affordable Care Act (ACA) has been drawn from is “vague” and ignores Congress’ intent by not fully illustrating funding sources.
- **House Lawmakers Warn Against MA Cuts:** In advance of a House Energy and Commerce Health Subcommittee hearing on Medicare Advantage (MA) cuts, over 190 House Members sent a bipartisan [letter](#) to CMS requesting the agency reverse the cuts to the MA program proposed in its 2015 Advance Notice released February 21. Fifty-five House Democrats sent a separate [letter](#) also urging CMS to abandon the proposed cuts. However, contrary to seemingly overwhelming opposition to the proposed cuts, the top Democrats on the House Energy and Commerce and Ways and Means Committees and their respective health subcommittees asked CMS to maintain the cuts, supported by their own [report](#) demonstrating that MA enrollment has grown by a third and continues to be adequately funded.

### **Implementation of the Affordable Care Act**

**HHS Inspector General Investigating Maryland Exchange:** The HHS Office of Inspector General (OIG) announced it will investigate the launch of Maryland's ACA insurance exchange, which [according](#) to Representative Andy Harris (R-MD), is the worst performing in the country.

**4.2 Million Have Enrolled in Exchange:** An enrollment [report](#) covering October 1, 2013 through March 1, 2014 released by HHS says that 4.2 million people have enrolled in a qualified health plan on a state based exchange. Enrollment fell in February; however, officials say they expect increased enrollment as the March 31 deadline nears.

**Administration Weighs MLR Changes:** In a [rulemaking](#) this week, HHS signaled potential changes to medical loss ratio (MLR) rules, including relaxing requirements that insurers spend 80 percent of premium dollars on medical care as opposed to administrative costs.

**CMS Proposes Rule to Limit Plan Cancellations:** A [proposed rule](#) released on Friday would allow insurers more flexibility to adjust benefits and limits in policies without considering them cancelled and replaced by new plans. Changes to comply with the ACA would be considered "modifications" rather than new plans.

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

**Lawmakers Urge Extension of Health Coverage Tax Credit:** Thirteen bipartisan, bicameral lawmakers wrote to the leadership of the Senate Finance Committee and House Ways and Means Committee urging the extension of the Health Coverage Tax Credit (HCTCs).

**House Energy and Commerce Democrats Request Mental Health Hearing:** Ranking Member Henry Waxman (D-CA) and Oversight Subcommittee Ranking Member Diana DeGette (D-CO) [wrote](#) to their majority counterparts on the House Energy and Commerce Committee to request a hearing on how states that have chosen to opt out of Medicaid expansion have negatively affected those with mental illness and substance abuse issues.

**Senate Passes Pediatric Research Bill:** The Senate passed by unanimous consent the Gabriela Miller Kids First Research Savings Act ([H.R. 2019](#)). As the House has previously passed the bill, should it be signed by the President, it would provide \$126 million over ten years for pediatric research at the National Institutes of Health (NIH).

**House Passes Employer Mandate Exemption for Emergency Personnel:** The House passed under suspension the Protecting Volunteer Firefighters and Emergency Responders Act of 2014 ([H.R. 3979](#)), which exempts emergency services volunteers from counting as part of the headcount to trigger the 50 employee employer health insurance mandate.

**Lawmakers Introduce Bill to Increase Pharmacy Access for Underserved:** Representatives Brett Guthrie (R-KY), G.K. Butterfield (D-NC), and Todd Young (R-IN) [introduced](#) H.R. 4190 to allow Medicare reimbursement for certain pharmacist services in medically underserved areas.

**Senate HELP Holds FDA Overview Hearing:** The Senate Health, Education, Labor, and Pensions (HELP) Committee met to consider ongoing Food and Drug Administration (FDA) initiatives and priorities. Among the items discussed, FDA Commissioner Margaret Hamburg testified on the changes being implemented as a result of the Food Safety Modernization Act (FSMA), the Drug Quality and Security Act (DQSA), and the FDA Safety and Innovation Act (FDASIA).

### **Other Health Care News**

**White House Releases Updated Drug Use Estimates:** The White House, in coordination with RAND researches, [released](#) updated estimates of illegal drug availability, expenditures, and consumption. The research finds that from 2006 to 2010 heroin use remained constant, meth use fell, and marijuana use rose 30 percent.

### **Upcoming Hearings and Markups**

The Senate and House are in Recess.

