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HEALTH CARE REFORM UPDATE

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Implementation of the Affordable Care Act (ACA)

On May 30th the Illinois state legislature passed the Illinois Health Benefits Act that authorized the creation of a health insurance exchange, making it the 10th state to pass a health exchange bill. Governor Pat Quinn (D) has indicated that he will sign the bill into law.

On May 31st the Department of Health and Human Services announced that it will lower premiums for the federally administered Pre-Existing Condition Insurance Plan (PCIP) as much as 40 percent in 18 states and that it will also ease eligibility requirements in 23 states and the District of Columbia. PCIP was created under the ACA in order to serve as a bridge to 2014 when the prohibition on denial of coverage for pre-existing conditions takes effect. The HHS press release can be found [here](#).

On June 1st 22 members of the House Blue Dog Coalition sent a letter to CMS Administrator Don Berwick asking him to redo a regulation authorized by Section 6407 of the ACA that would require home health agencies to complete extra paperwork when reporting on face-to-face encounters between patients and providers. The letter called the requirement onerous and follows a similar letter recently initiated by Sen. Susan Collins (R-ME). The letter can be found [here](#). On June 3rd 105 House Members also wrote Administrator Berwick asking for changes in the regulation. That letter can be found [here](#).

On June 1st CMS announced the final rule implementing provisions of the ACA that will deny Medicaid payment for “reasonably preventable errors.” According to CMS, the rule also allows states to identify other provider-preventable conditions for which Medicaid payment will be prohibited. The final rule can be found [here](#).

On June 1st Colorado Governor John Hickenlooper (D) signed into law a bill that authorizes the state’s health exchange. The bill makes Colorado the seventh state to sign a bill into law implementing the new insurance marketplace. The press release from the office of the governor can be found [here](#).

On June 1st the GOP Doctors Caucus sent a letter to President Obama urging him to abandon the Independent Payment Advisory Board (IPAB). The letter insisted that the board will cut payments to doctors that will force them away from treating Medicare patients, thereby cutting care for the sickest and poorest of the nation’s seniors. More information on the Caucus can be found [here](#), and the letter can be found [here](#).

On June 2nd Alabama Governor Robert Bentley (R) issued an executive order to create the Alabama Health Exchange Study Commission. The Governor called the insurance exchange a top priority of his administration and issued the order after it became clear that a bill authorizing an exchange would not pass out of the Alabama legislature. The Governor's press release can be found [here](#). Later that same day, Georgia Governor Nathan Deal (R) also issued a similar executive order for his state after he witnessed legislation that he supported creating an exchange fail to pass in the state legislature earlier this year.

On June 2nd the Energy & Commerce Subcommittee on Health was scheduled to hold a hearing on the ACA's regulatory burden for employers. After the first panel, scheduling conflicts forced Subcommittee Chairman Joe Pitts (R-PA) to postpone the rest of the hearing. More information on the hearing can be found [here](#). Steve Larsen, director of the Center for Consumer Information and Insurance Oversight noted in his postponed testimony that HHS' timetable for issuing regulations on health insurance exchanges had slipped from its original spring target until later this summer.

On June 3rd CMS released a proposed rule to implement new statutory requirements regarding the ratings of doctors and hospitals. The proposal identifies rules for accredited middlemen to access Medicare claims data and evaluate and analyze performance. The proposed rule can be found [here](#).

Late on Saturday, June 4th the Connecticut House voted to create the Connecticut Health Insurance Exchange sending it to the desk of Governor Dan Malloy (D) for his signature. It is widely expected that Gov. Malloy, a strong supporter of the ACA, will sign the bill into law.

Other HHS and Federal Regulatory Initiatives

On May 31st the HHS announced a newly proposed rule required by the Health Information Technology for Economic and Clinical Health (HITECH) Act which would allow people to request a report when their health information is inappropriately accessed. The rule modifies the existing accounting authorities under HIPAA if the disclosures are made through an electronic health record. The proposed rule can be found [here](#).

On May 31st MedPAC announced the appointment of two new members and the reappointment of three existing members. The newly appointed members are Willis Gradison of Duke University and William Hall of the University of Rochester. The announcement by MedPAC can be found [here](#).

On June 1st the Associated Press reported that CMS Administrator Don Berwick sent a letter to Indiana's Medicaid Director saying that the state's recently-passed and controversial law barring *Planned Parenthood* from receiving federal funds is illegal and must be changed.

On June 2nd the Bipartisan Policy Center released a report on the role of health IT in delivery system reforms. The report issued key recommendations that include: coordination of health IT programs, engaging patients, and building cooperation between the public and private sectors. The report can be found [here](#).

Other Congressional and State Initiatives

On June 1st the San Francisco Chronicle reported that 380,000 seniors and disabled people in California's Medical program will have to start enrolling in a managed health care plan to receive care. The change will not limit the level of care but could limit their choice of some doctors and some advocates are worried about potential disruptions of care. The move is just the latest attempt at controlling health care costs for the cash-strapped state. The article can be found [here](#).

On June 2nd the National Governor's Association and the National Association of State Budget Officers released a report showing that twenty-four states implemented or are planning to implement reductions in Medicaid

provider payments. Fifteen states have frozen the payments or plan to freeze provider payments. The report can be found [here](#).

On June 2nd the House Oversight Subcommittee on Health held on a hearing on the medical device approval process at the FDA. More information on the hearing can be found [here](#). During the hearing, Rep. Erik Paulsen (R-MN), co-chairman of the bipartisan House Medical Technology Caucus, testified that he is working on legislation to simplify the approval process for medical devices.

On June 2nd the California State Assembly approved a bill that gives the state insurance commissioner the power to reject excessive health insurance rate increases. The bill, A.B. 52 now heads to the state Senate. The bill can be found [here](#).