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HEALTH CARE REFORM UPDATE

August 13, 2012

Implementation of the Affordable Care Act (ACA)

On August 7th the Department of Health and Human Services (HHS) released an interim final rule governing electronic funds transfers between physicians, hospitals, and health plans. HHS claims that the new rules will simplify the payment process and save up to \$9 billion over the next decade. An HHS news release can be found [here](#). The rule can be found [here](#).

On August 8th Cindy Mann, director of the Center for Medicaid and State Operations, clarified that states that expand Medicaid eligibility in 2014 will have the option to roll back that expansion in the future if they choose to. News coverage of the announcement can be seen [here](#).

Other HHS and Federal Regulatory Initiatives

On August 6th HHS Secretary Kathleen Sebelius released a statement to celebrate Community Health Center Week and its theme of “Powering Healthier Communities.” There are currently 8,500 health center sites across the country, treating more than 20 million people each year. An HHS new release can be found [here](#).

On August 6th HHS announced that premiums for Medicare prescription drug plans are expected to remain steady—at an average of \$30 per month—in 2013. An HHS new release can be found [here](#).

Other Congressional and State Initiatives

On August 9th House Ways and Means Committee Chairman Dave Camp (R-Mich.), Health Subcommittee Chairman Wally Herger (R-Cal.), and Oversight Subcommittee Chairman Charles Boustany (R-La.), requested that the Government Accountability Office (GAO) investigate the use of CMS funds by the Center for Consumer Information and Insurance Oversight (CCIIO). The Congressmen charged that the Obama Administration placed CCIIO within CMS in order to divert

funds dedicated to Medicare to other purposes. A press release can be found [here](#). The letter can be viewed [here](#).

On August 9th House Energy and Commerce Committee Chairman Fred Upton (R-Mich.) and Subcommittee on Oversight and Investigations Chairman Cliff Stearns (R-Fla.) wrote letters to CMS and HHS asking for detailed information on the Medicare Advantage Quality Bonus Program, noting that the GAO has previously cited the program as ineffective and called on CMS to end the program. The letters can be found [here](#).

Other Health Care News

On August 6th the National Business Group on Health released a survey finding that large employers in the U.S. expected health costs to rise 7 percent in 2013. Sixty percent of employers expected to pass some of this increase on to employees through increased premiums. A press release can be found [here](#).

On August 6th *Health Affairs* published a study finding that, nationwide, one-third of physicians were not accepting new Medicaid patients. The numbers vary widely from state to state. In New Jersey, only 40 percent of physicians accept new Medicaid patients, whereas in Wyoming, 99 percent of physicians do. The authors note that ACA provisions that increase payments to primary care providers could increase these numbers. News coverage of the study can be found [here](#).

On August 6th the market research firm GlobalData released research predicting that the mobile health solutions market, which includes products that remotely monitor patients' health status, was worth \$1.2 billion in 2011 but will jump to \$11.8 billion by 2018. A press release can be found [here](#).

On August 7th the PWC Health Research Institute published the results of a survey describing what consumers desire from their health care providers. The survey found that a friendly staff, convenient access to multiple services, and easy communication were top priorities for consumers. News coverage of the results can be found [here](#).

On August 10th the Robert Wood Johnson Foundation and the Urban Institute released an analysis describing the populations that would benefit from the ACA's expansion of Medicaid eligibility. If every state were to participate in the expansion, an additional 15 million would gain access to Medicaid. About 82 percent of these would be childless adults. The report can be found [here](#).

Hearings and Mark-ups Scheduled

Both the Senate and the House of Representatives are in recess until September 10, 2012.