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## HEALTH CARE REFORM UPDATE September 17, 2012

### Leading the News

On September 14<sup>th</sup> the Office of Management and Budget (OMB) released a report detailing the effects of sequestration—the process by which major across-the-board cuts will automatically be made to government programs if an alternative deal is not approved before the end of the year. *The Hill* reports that the sequester will cut \$11 billion from Medicare, \$2.5 billion from the National Institutes of Health, and \$318 million from the FDA. The OMB report can be found [here](#). *The Hill's* summary can be found [here](#).

The American Hospital Association, the American Medical Association, and the American Nurses Association released a report predicting that the sequester would cost the country 766,000 health care jobs by 2012. The report can be found [here](#).

### Implementation of the Affordable Care Act (ACA)

On September 10<sup>th</sup> the Kaiser Family Foundation released a brief analyzing the impact of repealing the ACA. Repealing the Act, the analysis claims, would cause Medicare spending to increase by an additional \$716 billion over 10 years, cause Medicare's hospital trust fund to become insolvent eight years earlier than current projections, and result in increased premiums and cost-sharing for current seniors. The analysis can be found [here](#).

On September 11<sup>th</sup> the Department of Health and Human Services (HHS) announced \$12.5 million in grants awarded to Aging and Disability Resource Centers to support older Americans and help people with disabilities stay independent and receive long-term services and supports. An HHS news release can be seen [here](#).

On September 11<sup>th</sup> HHS released a report claiming that the ACA had saved consumers an estimated \$2.1 billion on insurance premiums—\$1.1 billion through premium rebates under the law's minimum

Medical Loss Ratio (MLR) rules, and \$1 billion through the law's rate review provisions. An HHS press release can be found [here](#). The report can be viewed [here](#).

On September 12<sup>th</sup> the U.S. Census Bureau released a report finding that the number of uninsured Americans dropped by 1.3 million, from 50 million in 2010 to 48.6 million in 2011. Much of the increase in coverage seems to come from young adults, who, under the ACA, are often able to continue on their parents' plans until age 26. Some of the increase also comes from greater enrollment in Medicaid. A summary of news coverage analyzing the numbers can be seen [here](#). A press release from the Census Bureau can be found [here](#). The actual report can be found [here](#).

On September 13<sup>th</sup> the Commonwealth Fund released a report analyzing the sustainability of state and federal high-risk pools to cover individuals with preexisting conditions. The report finds that high-risk pool coverage remains unaffordable for many individuals. If the ACA's market reforms were repealed, the authors note, the current system of high-risk pools would be "extremely expensive and likely unsustainable." The report can be found [here](#).

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

On September 10<sup>th</sup> the expert panel of the U.S. Preventative Services Task Force issued recommendations against screening for ovarian cancer stating that the screenings are regularly ineffective and yield false-positive results that can lead to unnecessary operations and complications from those operations. The panel is reaffirming its own earlier advice from a report published last year in the Annals of Internal Medicine. An article on the report can be found [here](#). The findings of the report can be seen [here](#).

On September 12<sup>th</sup> HHS released a released a final rule indicating that an increased number of rescue personnel and survivors of the 9/11 attacks are eligible to receive cancer benefits. The rule, proposed in June and finalized this week, increases the number of diseases eligible for compensation. The final rule can be seen [here](#).

On September 12<sup>th</sup> the Centers for Medicare and Medicaid Services (CMS) Office of the Inspector General (OIG) released an audit finding that CMS has failed to report all fraud and abuse actions it has taken against providers to the Healthcare Integrity and Protection Data Bank, as required by law. Although CMS has made progress since a 2010 audit, it continues to underreport actions against a variety of provider types, including laboratories, managed care plans, and prescription drug plans. The OIG audit can be found [here](#).

On September 12<sup>th</sup> HHS and the Department of Veterans Affairs (VA) announced increased efforts to expand and improve health care delivery to veterans in rural America. The agreement between the two agencies promotes collaboration between VA facilities and private hospitals and clinics, and is supported by \$983,100 in grants to improve access and coordination of care through telehealth and health information exchanges in rural areas. The HHS press release can be found [here](#).

On September 13<sup>th</sup> HHS announced that public health officials are now able to use MappyHealth, a new web-based application, to track health concerns in real time. MappyHealth is an app that can be used through Twitter. The HHS press release can be found [here](#).

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

On September 11<sup>th</sup> the House Energy and Commerce Subcommittee on Health voted to approve a measure that would exempt commissions from health insurance brokers and agents from an insurer's Medical Loss Ratio (MLR) calculations. The ACA currently requires that insurers spend no more than 20 percent of premiums on administrative expenses, including commissions. The bill would exclude commissions from this calculation. News coverage of the vote can be seen [here](#). The text of the bill can be seen [here](#).

On September 11<sup>th</sup> Arkansas Governor Mike Beebe announced he supports expanding Medicaid eligibility to add 250,000 state residents. Gov. Beebe received assurance from federal officials that Arkansas could later opt out of the expansion. An article on the announcement can be found [here](#).

On September 13<sup>th</sup> the House voted to pass a stop-gap appropriations bill to fund the federal government for an additional six months. The House voted 329-91 to approve a continuing resolution (CR) funding most federal programs at their current levels through March 27. If approved by the Senate, the six-month measure would eliminate the threat of a government shutdown when the fiscal year ends on September 30<sup>th</sup>. News coverage of the bill's passage can be read [here](#). The text of the resolution can be seen [here](#).

On September 13<sup>th</sup> a 1<sup>st</sup> Circuit Court of Appeals judge ruled that CMS did not need to immediately come to a decision on Maine's request to have almost 30,000 people cut from the Medicaid rolls. CMS stated more time is necessary to review the request. An article on the decision can be found [here](#).

On September 14<sup>th</sup> Texas and six other states appealed the Obama Administration rule requiring certain religious organizations to purchase employee health insurance that goes against the employers' religious beliefs. The group of states said the administration is violating religious freedom. The statement from Texas Attorney General Greg Abbott's office can be found [here](#).

### **Other Health Care News**

On September 10<sup>th</sup> the American Progress Action Fund released a report claiming that the Romney-Ryan plan would significantly raise health care costs. The report claims that the plan would raise health care costs throughout retirement by \$11,000 for the average person who is 65 years old today and by \$60,000 for those who turn 65 in 2023. The report can be seen [here](#).

On September 10<sup>th</sup> new government data was released showing that hospitals participating in a nationwide project to limit central line-associated bloodstream infections saw a 40% decrease of such infections. The initiative, known as the *Comprehensive Unit-based Safety Program*, was funded by the Agency for Healthcare Research and Quality (AHRQ). With more than 1,100 hospital intensive-care units participating, over 500 lives and \$34 million in health care costs were saved. An article on the project can be found [here](#). A press release from AHRQ can be seen [here](#).

On September 11<sup>th</sup> the Kaiser Family Foundation released a survey finding that, in 2012, the average premium for employer-sponsored family coverage was 4 percent higher than in 2011. The results can be found [here](#).

On September 11<sup>th</sup> the Agency for Healthcare Research and Quality (AHRQ) released a report on poor medication adherence in the U.S. Studies show 20 to 30 percent of medication prescriptions are never filled and 50 percent of medications for chronic diseases are not taken appropriately. The report suggests proper medication adherence could save the health care system \$100 to \$289 billion in annual costs. The report can be found [here](#).

On September 12<sup>th</sup> the Integrated Benefits Institute released a report finding that, in addition to costs paid for employee health plans, workers' poor health costs U.S. employers \$344 billion per year in lost productivity, absenteeism, and work replacement costs. The report can be found [here](#).

On September 15<sup>th</sup> the Center for Public Integrity released a report stating that doctors and hospitals have been aggressively upgrading their billing practices in the last decade. The study found that the percentage of claims bearing the two highest-paying Medicare codes increased to 40 percent in 2010 from 25 percent in 2001. News coverage of the report can be found [here](#). Findings of the report can be found [here](#).

On September 13<sup>th</sup> *Health Affairs* released an article detailing the need for improved care transitions and the efforts that can be taken to build a better system for patients. Poor care transitions can bring harm to patients and wasted an estimated \$25 to \$45 billion in 2011. A full article can be found [here](#).

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

#### *Senate*

On September 19<sup>th</sup> at 10:00am, the Senate Committee on Health, Education, Labor, and Pensions will hold a hearing regarding the Public Health Service Act. More information can be found [here](#).

On September 19<sup>th</sup> at 2:30 pm the Senate Special Committee on Aging will hold a hearing entitled "Eliminating Waste and Fraud in Medicare: An Examination of Prior Authorization Requirements for Power Mobility Devices." More information can be found [here](#).

#### *House of Representatives*

On September 20<sup>th</sup> at 2:00 pm the House Oversight and Government Reform Subcommittee on Health Care will hold a hearing entitled "Examining the Administration's Failure to Prevent and End Medicaid Overpayments." More information can be found [here](#).

On September 21<sup>st</sup> at 9:30 am the House Ways & Means Subcommittee on Health will hold a hearing on the current status of the Medicare Advantage program, including Special needs Plans and Medicare Cost Plans. More information can be found [here](#).