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HEALTH CARE UPDATE

February 24, 2014

- **Congress Pushes Back on Part D Rule:** Centers for Medicare and Medicaid Services (CMS) Administrator, Marilyn Tavenner, received two letters last week asking her to withdraw proposed changes to the Medicare Part D program. More than 200 organizations represented by the Healthcare Leadership Council [sent the first letter](#) to her, in which they stated that the proposed changes would “severely impede beneficiaries’ access to affordable health plans and medicines.” And in advance of a hearing later this week regarding the proposed changes, Energy and Commerce Committee Chairman Fred Upton (R-MI) along with Ways and Means Committee Chairman Dave Camp (R-MI) and Senate Finance Committee Ranking Member Orrin Hatch (R-UT) also [wrote a letter](#) to Administrator Tavenner and to Department of Health and Human Services (HHS) Secretary Kathleen Sebelius asking them to withdraw the proposed changes to the Medicare Part D program.
- **Medicare Advantage Fight Continues:** The Obama administration [announced](#) on Friday that they intend to reduce MA spending by 1.9 percent. This is a somewhat higher than what most industry analysts expected considering that proposed cuts to the popular MA program were moderated last year following a robust campaign from the insurance industry and Congressional leaders. Prior to the proposed rate cut announcement, a bipartisan group of 40 senators had [sent a letter](#) to CMS urging the Medicare agency to maintain current payment levels in 2015. This sets up for another push from health care stakeholders, led by the insurance industry, to apply similar pressure as they did last year leading up to the April final rate announcement. Many analysts will be watching to see how newly appointed Senate Finance Committee Chairman, Ron Wyden (D-OR) decides to weigh in on one what could be a contentious fight with the administration. Last year, former Senate Finance Committee Chair Max Baucus (D-MT) and Ranking Member Orin Hatch teamed up to make a strong appeal to agency officials to reverse a 2.2% cut.

Implementation of the Affordable Care Act

President Pitches Healthcare.gov: President Obama encouraged uninsured Americans to go to Healthcare.gov and purchase insurance before the March 31st deadline in a new [video](#) posted on the White House website.

Bill Introduced to Delay Individual Mandate: Representatives Steve Scalise (R-LA) and Susan Brooks (R-IN) [introduced](#) the Freeing Americans from Inequitable Requirements (FAIR) Act, which would suspend the individual mandate penalties until 2016.

Medical Device Tax Cost 33,000 Jobs: The Advanced Medical Technology Association (AdvaMed) [released](#) results from their survey, which found that the medical device excise tax has resulted in the loss of 14,000 industry jobs and the foregone hiring of 19,000 workers.

House Members Urge Flexibility in Menu Labelling Rule: A bipartisan group of 24 Representatives sent a letter to Food and Drug Administration (FDA) Commissioner Margaret Hamburg, urging her to consider alternatives to the proposed menu labeling requirements mandated by the Affordable Care Act which would provide greater flexibility to the food service industry.

Other Federal Regulatory Initiatives

CMS Releases Quality Data: CMS has [added](#) quality measures to Physician Compare, a tool to help consumers compare physicians and other health care professionals. These measures include information about care for patients with diabetes and heart disease.

FDA Addressing Backlogged Generic Drug Applications: FDA Commissioner Hamburg [wrote in a blog post](#) that the FDA has taken formal action on 45% of backlogged generic drug applications.

FDA Modernizing OTC Reviews: The FDA has [announced](#) that it will hold public hearings March 25 and 26 from 9 a.m. to 4 p.m. to obtain input on the Over-The-Counter (OTC) Drug Review and how to create a review process that is more efficient and responsive to new information.

Other Congressional and State Initiatives

E&C Requests Briefing with Accenture: Republican members of the House Energy and Commerce Committee [sent a letter](#) to Accenture Federal Services, which has been hired to complete work on the health care exchanges, requesting a briefing to explain how Accenture was selected for the contract, the terms of the contract, what work has been completed, and documents regarding Accenture's communications with the administration and the White House.

Advocates Urge CHIP Reauthorization: A group of health care advocates spearheaded by First Focus [sent a letter](#) to Congressional leaders and President Barack Obama, urging them to ensure the continued funding for the Children's Health Insurance Program (CHIP).

Hearings and Mark-Ups Scheduled

Senate

On February 25, the Senate Health, Education, Labor and Pensions (HELP) Committee will hold a [hearing](#) titled “Examining Mental Health: Treatment Options and Trends.”

On February 26, the Senate HELP Committee [will meet](#) to consider several education, health and labor nominations.

House

On February 26, the Health Subcommittee of the House Energy and Commerce Committee will hold a [hearing](#) on changes CMS has made to the Medicare Part D Program.

On February 26, the Military Personnel Subcommittee of House Armed Services Committee will hold a [hearing](#) on the Defense Health Agency.

On February 26, the Health, Employment, Labor and Pensions Subcommittee of House Education and the Workforce Committee will hold a [hearing](#) on health insurance plans.

On February 27, the Labor, Health and Human Services, Education, and Related Agencies Subcommittee of House Appropriations Committee will hold a [hearing](#) on proposed fiscal 2015 appropriations for the Public Health Emergency Medical Countermeasure Enterprise.

On February 27, the Oversight and Investigations Subcommittee of House Energy and Commerce Committee will hold a [hearing](#) titled “Counterfeit Drugs: Fighting Illegal Supply Chains.”