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## Health Care Reform Update August 5<sup>th</sup>, 2013

### Leading the News

#### *Office of Personnel Management Addresses Premiums for Congressional Staffers*

On August 1<sup>st</sup>, the U.S. Office of Personnel Management (OPM) [announced](#) it will release proposed regulations within the next week to allow the federal government to contribute to the health care premiums of members of Congress and their staffs. Earlier in the week, [President Obama said](#) he was working with Congress to address the issue, which had prompted concerns about a brain drain from Capitol Hill. Senator Tom Coburn (R-OK) said he intended to [place a hold](#) on Katherine Archuleta, the nominee to be the chief at OPM, until the issue was resolved.

#### *House Energy and Commerce Committee Unanimously Approves SGR Bill*

On July 31<sup>st</sup>, by a [unanimous 51-0 vote](#), the House Energy and Commerce passed legislation that would repeal the sustainable growth rate (SGR) Medicare physician payment method and shift payment to quality-based measures.

### Implementation of the Affordable Care Act

On July 29<sup>th</sup>, CMS issued a [release](#) that indicates the ACA and its gradual closure of the donut hole coverage gap has saved 6.6 million Americans over \$7 million, an average savings of \$1,061 per beneficiary.

On July 29<sup>th</sup>, the White House issued a [blog post](#) noting nationwide health care costs grew just 1.1% from May 2012 – May 2013. The 1.1% growth is the slowest in 50 years.

On July 30<sup>th</sup>, House Republicans released a [playbook](#) for the August recess that encourages members to hold “emergency town halls” in response to ACA implementation.

On July 30<sup>th</sup>, the CMS released an [application](#) that allows organizations to become “Champions for Coverage” under the ACA.

On July 30<sup>th</sup>, CMS released an [application](#) for community health centers and other health providers that want to become certified application counselor organizations and help people searching for insurance coverage on the ACA exchanges.

On July 30<sup>th</sup>, the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JTC) issued an [estimate](#) that the employer mandate delay of the ACA will cost about \$12 billion.

On July 31<sup>st</sup>, HHS issued a [request for information](#) from stakeholders regarding section 1557 of the ACA, which prohibits discrimination based on race, color, national origin, sex, age, or disability in health care programs.

On July 31<sup>st</sup>, the Kaiser Family Foundation (KFF) released a [report](#) and [interactive map](#) on how insurance coverage would be expanded as a result of the ACA.

On July 31<sup>st</sup>, House Speaker John Boehner (R-OH) [said](#) he is still unsure if House Republicans will use the threat of a government shutdown in an effort to defund the ACA.

On July 30<sup>th</sup>, EHealthInsurance [reached a deal](#) to sell its products on the ACA insurance exchanges. EHealth CEO Gary Lauer says his company’s involvement on the exchanges will lead to increased enrollment and improved competition in the insurance marketplace.

On August 1<sup>st</sup>, California [announced](#) six insurers that will offer coverage on the state’s Small Business Health Options Program (SHOP). A summary of the Covered California plan indicates the premium prices and coverage options for hypothetical business operations.

On August 1<sup>st</sup>, 38 Republican Senators sent a [letter](#) to White House Counsel Kathryn Ruemmler with a request for information on the government agencies involved in ACA implementation.

On August 1<sup>st</sup>, the House Ways and Means Committee held a [hearing](#) on the role of the IRS in ACA implementation. Gary Cohen of the CMS Center for Consumer Information and Insurance Oversight (CCIIO) and Daniel Werfel of the IRS testified before the committee.

On August 1<sup>st</sup>, the House Energy and Commerce Committee conducted a [hearing](#) with CMS Administrator Marilyn Tavenner to discuss the current state of ACA implementation.

On August 2<sup>nd</sup>, the House [voted, 232-185](#), to prohibit the IRS from being involved in enforcement of the ACA. The vote was the 40<sup>th</sup> time the House has attempted to repeal components of the ACA.

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

On July 30<sup>th</sup>, the Department of Justice (DOJ) [announced](#) Wyeth Pharmaceuticals agreed to pay over \$490 million to resolve criminal and liability issues arising from the company's unlawful marketing of Rapamune, a drug only approved by the Food and Drug Administration (FDA) for kidney transplants.

On July 31<sup>st</sup>, CMS issued final payment rules to increase payments to [skilled nursing facilities](#) by 1.3%, at a cost of \$470 million, and increase payments to [inpatient rehabilitation facilities](#) by 2.3%, a \$170 million cost.

On August 1<sup>st</sup>, the FDA released 2014 user fee rates for [biosimilars](#), [brand name](#) prescription drugs, [generic](#) prescription drugs, and [medical devices](#).

On August 2<sup>nd</sup>, the FDA issued a [rule](#) addressing 'gluten-free' food labeling. The rule states foods that claim to be gluten-free but contain more than 20 parts per million of gluten will be considered misbranded products.

On August 2<sup>nd</sup>, CMS released a [final rule](#) relating to payments for acute care and long-term care hospitals in 2014. The rule increases payment to the nation's 3,400 acute care hospitals by \$1.2 billion. Payment to 440 long-term care facilities is set to increase \$72 million.

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

On July 31<sup>st</sup>, Rep. Daniel Lipinski (D-IL) [introduced legislation](#) to require hospitals to publicly disclose the prices charged for the most common medical procedures.

On August 1<sup>st</sup>, Democratic Senators sent a [letter](#) to President Obama urging the White House to establish set targets for Medicare and Medicaid cost savings.

On August 1<sup>st</sup>, Senators Mark Warner (D-VA) and Johnny Isakson (R-GA) [introduced The Care Planning Act of 2013](#), a bill to improve palliative care and provide seriously ill patients with greater control of their own care.

On August 2<sup>nd</sup>, Michigan and Illinois [announced a partnership](#) to share Medicaid information systems, a plan expected to save millions of dollars for both states.

On August 2<sup>nd</sup>, Senators Mike Crapo (R-ID), Ben Cardin (D-MD), and Angus King (I-ME) [introduced a bill, S. 1422](#), to require the CBO to more completely address the cost-savings of preventive healthcare.

### **Other Health Care News**

On July 29<sup>th</sup>, doctors from the National Cancer Institute [published a report](#) suggesting the word 'cancer' is overused. The report argues the overuse of the term leads to unnecessary and potentially harmful treatment in many patients.

On July 29<sup>th</sup>, Gallup released a [poll](#) indicating Americans have exercised less each month in 2013 than during the same months in 2012. About half of Americans say they exercise at least 30 minutes three or more days each week.

On August 2<sup>nd</sup>, the Institute of Medicine released a [report](#) on the efforts needed to tackle obesity in the United States.

**Hearings and Mark-Ups Scheduled**

*The Senate and the House of Representatives are in recess until the week of September 9<sup>th</sup>.*