



House Returns to Consider Repeal of IPAB; President Signs Doc-Fix Into Law

It's the Law For Only This Year--Last week **President Obama** signed H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2012, into law (P.L. 112-96). As previously described, the law would extend current Medicare physician payment levels until only year-end, thus setting up another contentious debate over their further extension in a lame-duck legislative session after the November elections.

House Committee

Meetings--On Tuesday the House Energy and Commerce Committee will markup legislation (H.R. 452, the Medicare Decisions Accountability Act) designed to repeal the PPACA Independent Payment Advisory Board (IPAB). Also, on the same day the House Ways and Means Committee will take testimony from **HHS Secretary Kathleen Sebelius** on the President's FY 2013 budget recommendations. Senate to Consider Blunt

PPACA Amendment-

-This week the Senate returns to consider S. 1813,

a transportation reauthorization bill, which could highlight a fight over a PPACA-related amendment to be offered by **Senator Roy Blunt**. The Blunt amendment would overturn the HHS rule requiring religious-based organizations to provide certain women's contraceptive coverage under their fully-insured and self-insured health plans. They proposed exception to the PPACA coverage mandate would allow such organizations to avoid such coverage if it violates their "moral beliefs."

Inside

Non-Grandfathered Health Plan Actuarial Value Defined	2
Additional Federal Grants for Health Insurance Exchanges	2
CO-OP Loans Approved	2
Supreme Court Provides More Time for PPACA Arguments	2
Proposed "Meaningful Use" and EHR Standards	3
DEMO Project Criteria	3
Alzheimer's Research Plan	3
FDA Issues	3

Non-Grandfathered Health Plan Actuarial Value Defined

The CMS Center for Consumer Information and Insurance Oversight (CCIIO) has issued a guidance bulletin requesting comment on a proposed framework for defining how health insurers can conform their individual and small group plan offerings to the PPACA's "essential health benefits" requirement. The several options proposed by the CCIIO for calculating the "actuarial value" of covered benefits, which include standardized data and an actuarial value calculator, aims to produce comparisons across plans within a state that focus on cost-sharing differences rather than other differences between plans, such as different provider payment

rates and utilization patterns. The PPACA tiers of benefit types must meet the following percentages of the actuarial value of essential plan benefits: Bronze plans must cover 60%; Silver plans must cover 70%; Gold plans must cover 80%; and Platinum plans must cover 90%. The CCIIO also provided a FAQ on its website stating that states will have to defray the costs of any state-mandated health benefits that exceed the PPACA mandated "essential health benefits" under the so-called "benchmark" plans they choose to offer under their state-based health insurance exchanges in 2014 and 2015.

Additional Federal Grants for Health Insurance Exchanges

HHS announced that ten states have qualified for a total of \$229 million in federal grants to help establish their state-based health insurance exchanges. In addition, HHS issued a final rule which allows states to request PPACA "innovation waivers" beginning in 2017. To qualify, such a state must demonstrate that their plan would cover at least as many eligible persons under PPACA

benefit mandates as required under the federal law. If states do not set up their own exchanges, the federal government would have to step in to form an exchange. The President's budget has requested about \$864 million in FY 2013 to establish the federal exchange, setting up another avenue for Republicans to impede the implementation of the PPACA this year.

Supreme Court Provides More Time for PPACA Arguments

Acceding to DOJ and other pleas for more time to argue whether the AIA prevents the consideration of a challenge to the PPACA individual mandate until the penalties for non-compliance begin in 2014, the U.S. Supreme Court added another 30 minutes for each party to make their case. The court will hear six hours of argument over the individual mandate, Medicaid expansion,

severability and AIA from March 26 to March 28. In related news, seven state attorneys general said they have filed suit against the federal government to challenge the PPACA rule requiring employers with religious affiliations to offer no-cost contraceptive coverage under their health care plans.

CO-OP Loans Approved

The CMS CCIIO also announced that \$638.7 million in federal loans have been granted to seven private, nonprofit Consumer Operated and Oriented

Plans (CO-Ops). Additional applications will be considered throughout 2012. The PPACA authorized CO-OPs to help increase competition among health insurers. Any profits of

such CO-OPs are required to be used to improve quality, benefits and premium affordability for covered participants.

Proposed “Meaningful Use” and EHR Standards

The Office of the National Coordinator for Health Information Technology issued a proposed rule which lays out the standards and certification criteria needed to meet “meaningful use” of electronic health records beginning in 2014. The ONC said the electronic health record certification criteria would provide for increased clarity

and transparency. Also, CMS released a proposed rule for Stage 2 of the Medicare and Medicaid EHR program which provides incentive payments to eligible health care providers when they adopt certified EHR technology. The rule, “Medicare and Medicaid Programs; Electronic Health Record Incentive Program—Stage 2 (CMS-0044-P)”, defining Stage

2 “meaningful use” criteria would increase the requirements for the electronic capture of health information in a structured format and for the exchange of clinically relevant information between providers at care transitions, among other elements. Comments are due within 60 days from March 7.

DEMO Project Criteria

CMS issued a final rule defining the public input and transparency requirements that states must meet in order to have CMS approve Section 1115 new coverage and delivery demonstration projects under Medicaid and SCHIP.

Alzheimer’s Research Plan

The President’s Alzheimer’s advisory council released a draft framework for expanding and coordinating disease research through public-private partnerships, such as establishing registries to enroll Alzheimer’s patients in clinical trials and developing new models of care (e.g. medical homes and accountable care organizations).

FDA Issues

Drug Shortage Addressed--The FDA announced steps to increase the supply of certain cancer drugs which have been in short supply. The FDA has allowed a temporary importation of a replacement drug for the shortage of doxorubicin hydrochloride liposome injection and approved a preservative-free methotrexate generic drug for the treatment of children with acute lymphocytic leukemia and for the high-dose therapy of osteosarcoma. The FDA also issued draft guidance for manufacturers on the requirements for both mandatory and voluntary notifications to the FDA of issues that could result in a drug shortage or supply disruption.