



## House Votes to Repeal Portions of PPACA; Vote to Increase Debt Limit Likely Delayed

### *Medicare Reform Headlines Deficit Reduction Debate*

During a Senate Finance Committee hearing on deficit reduction and spending “triggers,” **Chairman Max Baucus** said “it is time to craft deficit reduction legislation that will stabilize debt held by the public by 2014 or 2015, and it should continue to reduce the deficit in the following years as well...” Although somewhat noncommittal, he indicated that the committee may soon move to mark up legislation to create a trigger to reduce federal deficits exceeding certain limits which may become a centerpiece of the debate to increase the federal debt limit later this summer. **Treasury Secretary Timothy Geithner** announced that the deadline for congressional action on the debt limit could be moved forward to August 2nd given recent increases in federal tax receipts. The trigger suggested by the Administration to cap the federal debt as a percentage of GDP would allow for tax increases as well as spending reductions which would lessen the threat of radical changes to Medicare and Medicaid. The proposal by **Senators Bob Corker and Claire McCaskill** would not include tax increases and cap federal spending at 20.6% of GDP within 10 years, thus opening up the potential for major changes to federal entitlement programs. Democrats continue to ramp up their criticism of the House-passed Ryan FY 2012 budget plan which would target Medicare for a major overhaul

to a “premium support” basis. It is expected that **Senate Majority Leader Harry Reid** will bring the House bill to a vote to put Senate Republicans on record in favor of what he says is a “radical” change to Medicare and Medicaid. Led by **Senator John D. Rockefeller**, a near majority of Senate Democrats alerted the Administration that they would oppose any plan to block grant Medicaid. Despite the negative comments from Democrats, **House Budget Committee Chairman Paul Ryan** said that he is relatively optimistic that Congress can reach an agreement with the President to increase the federal debt limit accompanied by a process to reduce future federal deficits. **House Ways and Means Committee Chairman Dave Camp** also called upon Democrats to come forth with their own plan to reform Medicare in the face of their opposition to the Ryan premium support plan.

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## House Passes PPACA Repeal Measures

The House passed several measures last week that would negate significant provisions of the PPACA. On a vote of 238-183, the first bill, H.R. 1213, would repeal mandatory funding provided to States to establish American Health Benefit Exchanges and rescind any unobligated funds that have already been appropriated. CBO estimated that the repeal would result in both higher premiums and higher costs for employer health plans and increase the number of Americans without health insurance by about 500,000 individuals. However, the legislation was estimated to reduce

federal deficits by about \$14 billion over ten years. Nonetheless, the Robert Wood Johnson Foundation announced it would provide states with technical help and disseminate best practices to ensure states successfully implement exchanges. On a 235-191 vote, a second bill (H.R. 1214) would eliminate the four-year \$200 million in PPACA mandatory funding for the construction of school-based health centers. The House also passed H.R. 3, legislation that amends the IRC to prevent the use of federal funds in paying for abortions, including PPACA premium assistance tax credits for health

plans covering such procedures. The bill would also exclude such procedures from being covered under medical savings accounts. The Administration's Statement of Administration's Policies (SAPs) threatened a Presidential veto of all three bills. In related news, legislation was introduced to repeal the PPACA maintenance of effort Medicaid eligibility requirements (S. 868 and H.R. 1683). House Ways and Means Committee Chairman admitted that the repeal legislation would hit a roadblock in the Senate.

## Update on PPACA Constitutional Challenges

The Florida AG and 25 other states provided the 11th Circuit Court of Appeals with their reasoning of why the lower court's holding should be upheld. They said the entire law should also be held void by the circuit court because it "pushes even the most expansive conception of the federal government's constitutional powers past the breaking point" in at least two respects: by imposing a "direct mandate on individuals to obtain health insurance"

and by expanding the Medicaid program beyond boundaries imposed on Congress's spending power. In another case, the U.S. District Court for the Western District of Oklahoma ruled that uninsured individuals have standing to contest the PPACA's individual mandate to buy health insurance. In a related move, the Florida legislature sent a bill to **Governor Rick Scott** which would prohibit Florida residents from being required to buy health insurance.

## IRS/Treasury Seeks Comments on PPACA Employer Mandate

The IRS and Treasury Department have requested comment on the PPACA "shared responsibility" provisions applicable to employers with 50 or more employees who do not offer minimum coverage to their "full time"

employees. The agencies seek comment on several alternative full-time rules and also suggestions on how IRS/Treasury/HHS/DOL should coordinate their rulemaking regarding waiting periods.

## Hearing on Medicare MD Payment System

**A**t a House Energy and Commerce Health Subcommittee hearing, full-committee Chairman **Fred Upton** said “although we cannot afford the current rate of spending on physician services, we also know that, if the pending 29.4% fee cuts are allowed to go into effect, a large number of

doctors will be forced out of Medicare and a large number of Medicare beneficiaries will lose access to care....” He indicated that crafting a solution to the SGR problem is on the committee’s “short list”.

## HHS Requests Comments on “Mystery Shopper” Rule

**H**HS announced an information collection request seeking comment on a proposal that would use “mystery shoppers” to determine

the rate at which primary care physicians are accepting new Medicare and Medicaid patients. Given the demand the PPACA will soon create, HHS apparently

decided that it needs to measure the availability of primary providers and to establish a baseline for future incentives.

## Recently Introduced Health Legislation

**H.R. 1666-Simpson**- A bill to amend part B of title III of the Public Health Service Act to improve essential oral health care for lower-income individuals by breaking down barriers to care; to the Committee on Energy and Commerce.

**H.R. 1672-Capps**- A bill to expand the research and awareness activities of the National Institute of Arthritis and Musculoskeletal and Skin Diseases and the Centers for Disease Control and Prevention with respect to scleroderma, and for other purposes; to the Committee on Energy and Commerce.

**H.R. 1679-Tsongas**- A bill to direct the Secretary of Defense to conduct a comprehensive review of the health care services available for female members of the Armed Forces; to the Committee on Armed Services.

**S. 868-Hatch**- A bill to restore the longstanding partnership

between the States and the Federal Government in managing the Medicaid program; to the Committee on Finance.

**H.R. 1683-Gingrey**- A bill to restore the longstanding partnership between States and the Federal Government in managing the Medicaid program; to the Committee on Energy and Commerce

**H.R. 1700-Price**- A bill to amend title XVIII of the Social Security Act to establish a Medicare payment option for patients and physicians or practitioners to freely contract, without penalty, for Medicare fee-for-service items and services, while allowing Medicare beneficiaries to use their Medicare benefits; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions

as fall within the jurisdiction of the committee concerned.

**S. 877-Hatch**- A bill to prevent taxpayer-funded elective abortions by applying the longstanding policy of the Hyde amendment to the new health care law; to the Committee on Finance.

**S. 882-Brown(Ohio)**- A bill to prevent misuse, overutilization, and trafficking of prescription drugs by limiting access to such drugs for Medicare and Medicaid beneficiaries who have been identified as high-risk prescription drug users; to the Committee on Finance.

**H. Res. 246-Lowey**- A resolution supporting the goals and ideals of National Celiac Awareness Month, and for other purposes; to the Committee on Energy and Commerce.

**S. 891-Grassley**- A bill to amend title XVIII of the Social Security

Act to provide for the recognition of attending physician assistants as attending physicians to serve hospice patients; to the Committee on Finance.

**S. 905-Harkin**-A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase of hearing aids; to the Committee on Finance.

**H.R. 1744-Boustany**-A bill to amend the Internal Revenue Code of 1986 to repeal the employer health insurance mandate; to the Committee on Ways and Means.

**H.R. 1784-Nadler**-A bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for annual screening mammography for women 40 years of age or older and for such screening and annual magnetic resonance imaging for women at high risk for breast cancer if the coverage or plans include coverage for diagnostic mammography for women 40 years of age or older; to the Committee

on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.