



## FY 2013 LHHS Appropriations Advance in Senate; PPACA Supreme Court Decision Soon

### *Senate Appropriations Advances LHHS Bill*

The Senate Appropriations Committee voted 16-14 to pass S. 3295, FY 2013 appropriations for the departments of Labor, HHS and Education. The committee approved an increase of \$2.609 billion in discretionary funding to \$71 billion for HHS as follows: \$ 3.156 billion for CMS; \$1.567 billion for community health centers; \$100 million for NIH; \$55 million for the CDC; \$30 million for the Ryan White AIDS Drug Assistance Program; \$54 million in grants for evidence-based public health interventions; and \$610 million for health care fraud and abuse control activities. The party-line vote reflected the failed Republican attempts to defund the PPACA--a Shelby amendment to freeze new hiring at HHS; a Johnson amendment to repeal funding for the Prevention and Public Health Fund; and a Hoeven amendment to prohibit HHS from using money from the prevention fund to promote the PPACA. It might be noted that appropriations for the new FDA user fee programs for generics and biologics remain to be determined pending the outcome of the House/Senate conference on the user fee legislation, H.R. 5651 and S. 3187.

The Supreme Court is

expected to release its decision on the PPACA within the next two weeks. Currently, opinions are scheduled to be released on Monday, June 18 and Monday, June 25. The Court



does not announce which opinions will be released on which days. Opinions are always released at 10 a.m. Because of the large amount of opinions remaining, it is possible the Court could add additional dates for opinions.

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## GOP Begins Positioning on Possible Repeal of Obamacare

While congressional Republican leaders have generally not been specific on how they would react legislatively to any decision by the Supreme Court to repeal some or all of the PPACA, other than to repeal the entire law, presidential candidate **Mitt Romney** said his top priority is to cover the uninsured by transforming the health care system to resemble a consumer market operating on

free-market principles, rather than as a government-managed utility. He said he would send federal Medicaid funds to the states and make them responsible for covering the uninsured. He also said he would preserve the PPACA prohibition on pre-existing conditions for those who have health insurance. Several health insurers also announced they would keep the PPACA preventive care and dependent coverage to

age 26, regardless of the Supreme Court's decision. Republicans continue their assault on the health reform law (see appropriations vote above) with **Rep. Charles Boustany** asking HHS Secretary Kathleen Sebelius for information on the \$123 million in Innovation Challenge grants awarded by the Center for Medicare and Medicaid Innovation (CMMI) which are intended to improve the quality of care.

### PPACA Grants for Home Services

CMS announced that four states will receive \$295.6 million in "Balancing Incentive Program" grants to provide improved access to home and community-based services under Medicaid.

### Medicare Secondary-Payer Rules

CMS released an advance notice of proposed rulemaking containing seven options under which Medicare would not pursue reimbursements from beneficiaries who receive awards from automobile and liability insurance and workers compensation programs. Comments are due by August 14th.

### MedPAC and MACPAC Reports

The June report issued by the Medicare Payment Advisory Commission recommended to Congress a possible restructuring of Medicare that would include combining the Part A and B deductibles; replace coinsurance with copays that vary by type of service and provider; levy a surcharge on Medigap coverage; and place a cap on out-of-pocket beneficiary spending. A similar semiannual report issued by the Medicaid and CHIP Payment and Access Commission recommended that states and the federal government have mechanisms in place to track the access Medicaid and SCHIP beneficiaries have to high-quality health care and assess the impact of program purchasing strategies. The report also addressed value/cost issues and described innovations such as: risk-based managed care to improve access and quality and moderate costs; patient-centered medical homes; the coordination of primary care through case management programs; and bundling, global and other payment incentives to improve quality and reduce costs.

**H.R. 5937 (BREAST CANCER),** to amend the Public Health Service Act to raise awareness of, and to educate breast cancer patients anticipating surgery regarding the availability and coverage of breast reconstruction, prostheses, and other options; LANCE; to the Committee on Energy and Commerce, June 8.

**H.R. 5942 (MEDICARE),** to repeal certain changes to contracts with Medicare quality improvement organizations, and for other purposes; PRICE of Georgia; jointly, to the committees on Ways and Means and Energy and Commerce, June 8.

**H.R. 5943 (MEDICARE),** to amend Title XVIII of the Social

Security Act to provide for an extension of the Medicare-dependent hospital (MDH) program and the increased payments under the Medicare low-volume hospital program, and for other purposes; REED; to the Committee on Ways and Means, June 8.

**S. 3289 (MEDICAID),** to expand the Medicaid home and community-based services waiver to include young people in need of services that would otherwise be required to be provided through a psychiatric residential treatment facility, and to change references in federal law from “mental retardation” to “an intellectual disability”; KERRY; to the Committee on Finance, June 13.

**S. 3295 (APPROPRIATIONS),** making appropriations for the departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending Sept. 30, 2013, and for other purposes; HARKIN; from the Committee on Appropriations; placed on the calendar, June 14.

**S. 3901 (APPROPRIATIONS),** making appropriations for financial services and general government for the fiscal year ending Sept. 30, 2013, and for other purposes; DURBIN; from the Committee on Appropriations; placed on the calendar, June 14.