



Republicans Adopt Health Legislative Agenda; Delay in Start of “Meaningful Use” Rules

GOP Convention Platform

Wrapping up the Republican convention in Tampa, the party’s confirmed presidential candidate, **Mitt Romney**, repeated his mantra that he will “repeal and replace” Obamacare. He said the law’s \$716 “cut” to Medicare will hurt seniors and depress innovation in jobs and medicine. Romney’s pick for vice president, **House Budget Committee Chairman Paul Ryan**, said a Romney administration would protect Medicare “for my mom’s generation, for my generation and for my kids and yours.” He said the nation needs the debate over the future of Medicare and that “we will win in this debate.” As to the PPACA, the Republican platform states that a Republican President “on the first day in office, will use his legitimate waiver authority under that law to halt its progress and then will sign its repeal...” As to Medicare, the document says “While retaining the option of traditional Medicare in competition with private plans, we call for a transition to a premium-support model for Medicare, with an income-adjusted contribution toward a health plan of the enrollee’s choice... This model will include private health insurance plans that provide catastrophic protection, to ensure the continuation of doctor-patient relationships. Without disadvantaging retirees or those nearing retirement, the age eligibility for Medicare must be made more realistic in terms of today’s longer life span...” As to Medicaid, the

platform said that states should be given block grants to give them the flexibility to design programs that meet the needs of their low income citizens. Giving an indication of how Republicans might “replace” Obamacare, the platform calls for a free-market based system with fewer coverage mandates, health insurance purchasing pools, equal tax treatment for employer-based and individual health insurance coverage, medical malpractice reform, more transparency in the pricing of health care, FDA reform, among other reforms.

Appropriators Prepare for Congress to Return

Congress will reconvene September 10th and immediately try to clear the legislative calendar for a bipartisan/bicameral agreement on FY 2013 appropriations. The CR is expected to run through next March and contain few, if any, member initiated funding demands. To obtain Senate approval, the House has acceded to the BCA’s \$1.047 trillion FY 2013 spending cap.

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Health Insurance Exchange News

CMS announced it will hold ten regional teleconferences between September 6 and 14 to provide an update on the implementation of the online health insurance exchange markets and to discuss strategies to educate the uninsured, under-insured and small businesses about expanded insurance coverage options under the PPACA. In addition, HHS has awarded 8 states \$766.5 million in “establishment grants” to help them

create health insurance exchanges, thus bringing the total planning and development grants to 49 for a total of \$1.9 billion. Also, HHS issued an amendment to the 2010 interim final rule clarifying that certain illegal aliens will not be eligible for coverage under the Pre-Existing Condition Insurance Plan (PCIP) program. The rule makes clear that certain individuals under 31 who are given a reprieve from deportation under the Department

of Homeland Security’s “Deferred Action for Childhood Arrivals (DACA) program” will not become eligible under the PCIP program. In related news, HHS has awarded about \$20 million in Consumer Assistance Program grants to 23 states, territories and DC to help consumers find coverage and understand their rights under the PPACA.

Guidance on Affordable Coverage

The IRS issued a PPACA-related notice stating that through 2014 employers may rely on W-2 wages to make determinations as to whether a “full-time” employee’s contribution to a group health plan meets the PPACA “affordable” health coverage requirement. This temporary rule supplants the law’s rule that coverage is “affordable” if the contribution

does not exceed 9.5% of the employee’s “household income.” In Notice 2012-59, the IRS gives employers up to thirteen months to determine whether an employee will be full time in situations where the employee was initially hired as a seasonal or part time worker.

Delay in ICD-10 Code Set and Meaningful Use Rules

CMS issued a final rule delaying until October 1, 2014 the date when health care providers and health plans must use the ICD-10 code set for classifying health care diagnoses and procedures. Also, all health plans and other organizations performing health plan functions, including third-party administrators and clearinghouses, must use a unique health plan identifier (HPID) by November 5, 2014 (except small plans which have a November 7, 2015 effective date). In addition, CMS issued a final rule delaying until 2014 the start of Stage 2 of the \$15 billion Medicare and Medicaid electronic health record incentive program. A companion rule was also released by the Office of the National Coordinator for Health Information Technology which defines the standards and certification criteria that EHR technology eligible professionals and hospitals must use to meet the “meaningful use” criteria.

Dual-Eligible DEMO

CMS announced that Massachusetts is the first state to participate in a “Financial Alignment Initiative” demonstration project under which the state and CMS is to contract with a designated integrated-care organization to coordinate care for 110,000 Medicare/Medicaid dual eligibles.