



Renominated President Vows to Oppose Medicare Vouchers; CR Up as Congress Returns

Congress Eager to Pass FY 2013 CR

The House and Senate return Tuesday and their first major order of business is expected to be the consideration of a bipartisan-bicameral continuing resolution providing FY 2013 appropriations through next March. House Republican budget hawks have backed off their opposition to the measure even though the CR does not follow the House budget resolution which would trim the Budget Control Act's \$1.047 billion cap on discretionary spending. Although Congress is expected this year to trim or delay the BCA's across-the-board spending sequestration, this task will be pushed back into the lame-duck session after the November elections. This task was supposed to be made easier when Congress passed the Sequestration Transparency Act which required the Administration by September 7th to provide members with all the details regarding which programs would be cut and by how much. After missing the Friday deadline, Republican leaders expressed their displeasure that the White House pushed the deadline back a week. Under the sequestration rules, Medicare cuts would be limited to 2% and Social Security cash benefits and Medicaid would be exempt from the mandated reductions.

Democrats Praise Obamacare at Convention

After accepting his

party's nomination for a second term, **President Obama** reinforced his campaign statements in support of the PPACA by saying he would oppose Republicans' call for repeal. He said the Republican health plan amounted to "If you can't afford health insurance, hope that you don't get sick."

The President also took off after the Republican platform which calls for Medicare reform using a "premium support" approach, but also said "we will reform and strengthen Medicare for the long haul, but we'll do it by reducing the cost of health care, not by asking seniors to pay thousands of dollars more."

In addition, the President indicated he would like to reach a deficit reduction agreement with Congress that stresses the "principles" of the Bowles-Simpson Deficit Reduction Commission. These two comments would seem to show a willingness by the President to agree to Medicare payment reductions as

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part of a deficit reduction deal in his second term.

Vice President Joe Biden coined the Republican Medicare plan as “vouchercare” and other Democrat convention speakers highlighted the benefits of the

PPACA as did the party platform. The party document stated that “Over the determined opposition of Republicans, we enacted landmark reforms that are already helping millions of Americans, and more benefits will come soon....” However, the platform also conceded that “No law is perfect and Democrats stand willing to

work with anyone to improve the law where necessary, but we are committed to moving forward....” The platform indicated that Democrats would seek to expand primary care and community health centers, eliminate health disparities and fight HIV/AIDS.

PPACA Hearings

This Tuesday the House Ways and Means Subcommittee on Oversight has scheduled a hearing to review the IRS’s progress in implementing the PPACA’s provisions and the effect of the law on other revenue collection aspects of the agency. This Wednesday the House Ways and Means Subcommittee on Health has scheduled a hearing

focusing on the lack of final regulations relating to the establishment of state health insurance exchanges. Also on the same day the Senate Special Committee on Aging will hold a discussion of the PPACA’s requirement for the public disclosures of payments between physicians and pharmaceutical, medical device and biologics companies.

MedPAC on MD and Outpatient Therapy Payments

At a recent MedPAC meeting, Commission Chairman Herb Kuhn recommended that the geographic adjustment component of the Medicare physician payment system be simplified by eliminating the Geographic Practice Cost Indices (GPCI) in favor of specific separate targeted payment adjusters to achieve new goals, such as increasing access for beneficiaries. Others suggested that payments be adjusted more in rural communities to maintain physician access in such areas. Congress

mandated that MedPAC study whether to continue geographic adjustments and report by mid-June, 2013. The commissioners also discussed whether the current Medicare caps on physical, occupational and speech therapy payments should be replaced by alternatives, such as an episode-based payment system or one based on prior authorization. MedPAC will also report to Congress in 2013 on their recommendations on this issue.

Autism Research Grants

NIH announced that over \$100 million in “Autism Centers of Excellence Program” grants will be made over five years to provide greater collaboration in research efforts to find the causes of autism and identify potential treatments.

CO-OP Grants

CMS announced that the Massachusetts Minuteman Health organization and the Tennessee Community Health Alliance Mutual Insurance Co. received a total of \$162 million in low-interest loans under the PPACA Consumer Operated and Oriented Plan (CO-OP) program to expand coverage in their areas of non-profit center operations.

IOM Report on Shortfalls in U.S Healthcare

The Institute of Medicine issued a comprehensive report of its 18-member “Committee on the Learning Healthcare System in America” which concluded that “If unaddressed, the current shortfalls in the performance of the nation’s health care system will deepen on both quality and cost dimensions, challenging the well-being of

Americans now and potentially far into the future....” The committee found that about 30% of all health spending in 2009, or about \$750 billion, was wasted on unnecessary services, excessive administrative costs and fraud, etc. Among the recommendations advanced by the committee’s report was for “an across-the board commitment to transform the U.S. health

system into a ‘learning’ system that continuously improves by systemically capturing and broadly disseminating lessons from every care experience and new research discovery.” The report was strong in advocating improved digital infrastructure and the capture and use of health data which could be used to better reward evidence-based medicine.