



Health Policy Briefing

February 23, 2015

Open Enrollment Exceeds Administration's Goals

ACA Exchange Open Enrollment Period Comes to a Close

11.4 million people had enrolled or re-enrolled in the Affordable Care Act (ACA) exchange when the second health insurance exchange open enrollment period ended on February 15. The White House had previously stated that its enrollment target was 9.9 million people. The number of enrollees will only continue to increase as the Administration extended the enrollment deadline by an additional week for people who started their applications but did not complete the entire enrollment process. Last year, a total of 8 million people enrolled in the exchanges, with 6.7 million of these people paying their premiums by August. This year, officials estimate that a total of 9.1 million enrollees will pay their premiums and maintain health insurance coverage through 2015. The Administration also announced plans to provide another enrollment period for those who have not yet complied with the individual mandate. This year's tax season marks the first time people will be forced to pay a fine for not having insurance. Anyone who was uninsured last year will pay the higher of 1 percent of annual household income or \$95 per person. The special enrollment period from March 15 to April 30 will provide as many as 6 million people who will pay the tax penalty this year the opportunity to buy health insurance so as to avoid a penalty next year. The fee for individuals who don't have coverage in 2015 is the higher of 2 percent of annual household income or \$325 per person.

Emergency Department EHR Use on the Rise

According to a **new analysis** from the National Center on Health Statistics (NCHS) of the Centers for Disease Control and Prevention (CDC), the number of hospital emergency departments using electronic health records (EHRs) increased from 46 percent in 2006 to 84 percent in 2011. EHR use also rose in hospital outpatient departments from 29 percent in 2006 to 73 percent in 2011. EHR systems continue to be a focus of the U.S.

Department of Health and Human Services (HHS) as the administration works to incentivize a value-based health care system rather than one in which payments are based on volume of care.

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IRS Delays Penalties on Small Employers

The Internal Revenue Service (IRS) has announced that businesses which employ fewer than 50 workers will now have until June 30, 2015 to end arrangements in which they provide employees with tax-free payments to purchase health insurance coverage on the individual market, or face a large excise tax penalty. The ACA does not permit employers to pay workers through health reimbursement accounts in lieu of the requirement to offer health insurance. The agency explained that the delay is a result of the speed at which small business insurance exchanges were developed and the amount of time necessary for employers to obtain group health coverage. While business groups support the delay, they continue to urge Congress to permanently reverse the policy.

Medicare & Medicaid News

Lawmakers React to Proposed MA Rates

On February 20, the Centers for Medicare and Medicaid Services (CMS) released the proposed Medicare Advantage (MA) rates for 2016. The Administration proposes a reduction of 0.95 percent to the MA program. Following the release of the proposed rule, more than half of the Senate signed on to a letter urging the agency not to cut the program. The letter was signed by a bipartisan group of 53 lawmakers. The senators wrote that “Regulatory policy changes that affect the program’s funding, year after year, are creating disruption and confusion among beneficiaries who are looking for consistency and predictability and can damage a program that offers value for beneficiaries...At a time of broad agreement on the need to shift U.S. health care to focus on care coordination, quality, and value-based payments, it would be counterproductive to jeopardize a program that is already driven and aligned toward these goals.” The new rate proposal is modest compared to the proposed 1.9 percent cut last year. In past years, members of Congress have opposed cuts to the MA program during the rate setting cycle. MA has managed to avoid cuts in recent years thanks to strong congressional opposition from members like former Representative Henry Waxman (D-Calif.), who retired at the end of the 113th Congress. This year’s letter marks the first time Sen. Susan Collins (R-Maine), Sen. Mark Kirk (R-Ill.), Sen. Rand Paul (R-Ky.), Sen. Angus King (I-Maine), and Sen. Jon Tester (D-Mont.) have signed on in opposition to MA rate cuts. MA covers approximately one third of Medicare beneficiaries, and participation in the program is currently at an all time high.

Upcoming Congressional Meetings and Hearings

House Appropriations Labor, Health and Human Services, Education, and Related Agencies Subcommittee: hearing on of draft fiscal 2016 appropriations for U.S. Department of Health and Human Services (HHS); Secretary Sylvia Burwell will be the sole witness; 10:00 a.m., 2358-C Rayburn Bldg.; Feb. 25

Senate Health, Education, Labor and Pensions Committee: hearing titled “Medical and Public Health Preparedness and Response: Are We Ready for Future Threats?” A panel of government witnesses will testify; 10:00 a.m., 430 Dirksen Bldg.; Feb. 26

House Energy and Commerce Subcommittee on Health: hearing titled “Examining the FY 2016 HHS Budget,” Health and Human Services Secretary Sylvia Burwell will be the sole witness; 10:00 a.m., 2123 Rayburn Bldg.; Feb. 26

House Oversight and Government Reform Committee: hearing titled “From Health Care Enrollment to Tax Filing: A PPACA Update;” 10:00 a.m., 2154 Rayburn Bldg.; Feb. 26

Health Legislation Recently Introduced

H.R. 965 (CLINICAL DATA REGISTRIES), to require the issuance of guidance on the application of the Federal policy for the protection of human subjects with respect to clinical data registries; PASCARELL; to the Committee on Energy and Commerce; Feb. 13

H.R. 971 (RARE DISEASES), to amend the Federal Food, Drug, and Cosmetic Act to authorize a 6-month extension of certain exclusivity periods in the case of approved drugs that are subsequently approved for a new indication to prevent, diagnose, or treat a rare disease or condition, and for other purposes; BILIRAKIS; to the Committee on Energy and Commerce; Feb. 13

H.R. 975 (HSA), to amend the Internal Revenue Code of 1986 to allow the transfer of required minimum distributions from a retirement plan to a health savings account; HUIZENGA; to the Committee on Ways and Means; Feb. 13

H.R. 976 (MEDICARE), to repeal changes made by health care reform laws to the Medicare exception to the prohibition on certain physician referrals for hospitals, and for other purposes; JOHNSON; jointly, to the Committee on Energy and Commerce and Ways and Means; Feb. 13

H.R. 977 (NURSING), to enable hospital-based nursing programs that are affiliated with a hospital to maintain payments under the Medicare program to hospitals for the costs of such programs; SCHOCK; to the Committee on Ways and Means; Feb. 13

H.R. 1006 (WORKFORCE), to amend the Public Health Service Act to help build a stronger health care workforce; RUIZ; to the Committee on Energy and Commerce; Feb. 13

H.R. 1011 (ACA), to require the disclosure of determinations with respect to which Congressional staff will be required to obtain health insurance coverage through an Exchange; WENSTRUP; to the Committee on House Administration; Feb. 13

H.Res. 117 (VACCINATION), recognizing the importance of vaccinations and immunizations in the United States; SCHIFF; to the Committee on Energy and Commerce; Feb. 13

H.R. 1012 (MEDICARE), to amend title XVIII of the Social Security Act to improve the provision of items and services provided to Medicare beneficiaries residing in rural areas, and for other purposes; SMITH; jointly, to the Committee on Ways and Means and Energy and Commerce; Feb. 17

H.R. 1016 (BIOLOGICAL IMPLANTS), to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to adopt and implement a standard identification protocol for use in the tracking and procurement of biological implants by the Department of Veterans Affairs, and for other purposes; ROE; to the House Committee on Veterans' Affairs; Feb. 20

H.R. 1018 (DISPOSABLE MEDICAL TECHNOLOGIES), to amend title XVIII of the Social Security Act to provide coverage of certain disposable medical technologies under the Medicare program, and for other purposes; ELLMERS; jointly to the Committee on Energy and Commerce and the Committee on Ways and Means; Feb. 20