



## Health Policy Briefing

August 26, 2013

### GOP Rank-and-File Ramp Up Pressure on Leaders to Defund ACA

#### *Continuing Resolution Strategy Still Unresolved*

With only eight legislative days remaining after September 9th for Congress to arrive at an agreement on the level of federal spending to be continued into fiscal year (FY) 2014, Republican leaders in the House of Representatives have yet to disclose their strategy for passing a continuing resolution (CR) that the Senate will accept and that the President will sign into law. Although the Speaker and House Majority Leader have resisted pressure to give their support for using the defunding of the Patient Protection and Affordable Care Act (PPACA) as leverage for a deal with Democrats, **Rep. Mark Meadows (R-NC)** and 79 other House Republicans sent a letter urging them to defund the PPACA through the appropriations process. Similarly, **Senator Mike Lee (R-UT)** said he has obtained the signatures of 14 senators to urge Senate Republican leaders to resist agreeing to a CR that does not include the defunding measure. Republicans could alternatively use discussions with Democrats on increasing the federal debt limit later this fall as another opportunity to try to pass legislation to defund the Affordable Care Act. Given pressures to include other extraneous measures,

whether a “clean” CR will be finally approved remains to be seen. In this connection, twenty senators led by **Senators Tammy Baldwin (D-WI) and Chuck Grassley (R-IA)** sent a letter to **Senate Finance Committee Chairman Max Baucus (D-MT) and ranking member Orrin Hatch (R-UT)** which states their objection to a recommendation in the President’s budget that would reduce Medicare reimbursement levels for critical access hospitals (CAHs) and remove the “critical access” designation for any hospital within 10 miles of another hospital. They maintain that reducing payments for CAHs would compromise access to health care and weaken rural economies across the country.

#### *Inside*

- [HHS Uses Video Contest to Spur PPACA Enrollment Among Young Invincibles.....](#)2
- [Concerns over PPACA Data Privacy Spurs CMS to Action.....](#)2
- [PCORI Awards for Comparative Effectiveness Research.....](#)2
- [Small Business Tax Credit Ruling.....](#)2
- [HHS Report on Medicare Participation by Physicians.....](#)3
- [CDC Provides New Funding to Combat Infectious Diseases.....](#)3
- [Upcoming Committee Health Hearings.....](#)3

## PPACA Health Reform Update

### *HHS Uses Video Contest to Spur PPACA Enrollment Among Young Invincibles*

The U.S. Department of Health and Human Services (HHS) announced a new online video program, *Healthy Young America*, under which the winners can receive up to \$5,000 to help subsidize their health insurance. The contest runs from August 19 through September 23 and allows “young invincibles” to use music and video to show their skills in convincing their generation to sign up for health insurance once the PPACA health insurance exchanges open for enrollment on October 1st.

### *Concerns over PPACA Data Privacy Spurs CMS to Action*

With Senators Mitch McConnell (R-KY), Orrin Hatch (R-UT) and House Republicans calling for the delay of the October 1st opening of PPACA exchanges due to concerns with the ability of the federal data hub and state health insurance exchanges to ensure the privacy of personal and tax information, the Centers for Medicare and Medicaid Services (CMS) has asked the Office of Management and Budget (OMB) for an expedited review of a requested security measure by September 25th. Fearing that absent the approval of the proposed rule that requires states to report potential security breaches, CMS said a significant number of incidents will not be detected, thus causing harm and a potential risk for identity fraud. The entity discovering any potential breach, loss or misuse of information would be required to contact certain special agents in charge at the Treasury Department and the Internal Revenue Service (IRS) within 24 hours. In another shot at the PPACA, House Energy and Commerce Committee Republican leaders sent a letter to Treasury Secretary Jack Lew renewing their request for further information on the reasoning behind the Administration’s delay until 2015 of the law’s employer mandate.

### *PCORI Awards for Comparative Effectiveness Research*

The Patient-Centered Outcomes Research Institute (PCORI) announced it will award an additional \$300 million for comparative effectiveness research (CER) before the end of the year, thus bringing the total PPACA funding for CER to \$418 million in 2013. The grants will be used to: assess different treatment or prevention methods for the same condition; improve health care systems; communicate and distribute the results from a PCORI-funded project; and eliminate or reduce ethnic and racial disparities.

### *Small Business Tax Credit Ruling*

The IRS issued a proposed rule defining the circumstances under which a small employer (with 25 or fewer full-time employees earning less than \$50,000) is eligible for a PPACA-related tax credit up to 50% of plan premiums (35% for tax-exempts) beginning in 2014. The tax credit phases out for employment levels from 10-25 and average wages from \$25,000-\$50,000. The credit is limited to two years when the employer obtains coverage under the PPACA-defined Small Business Health Options Program (SHOP) exchange.

## **Medicare/Medicaid/Public Health Services Corner**

### ***HHS Report on Medicare Participation by Physicians***

**H**HS released a report, *Access to Physicians' Services for Medicare Beneficiaries*, which found that the percentage of physicians accepting new Medicare patients was similar to that of physicians accepting new privately insured patients. The rate remained fairly steady over 2005-2012 with 90.7% of physicians accepting new Medicare patients in 2012.

### ***CDC Provides New Funding to Combat Infectious Diseases***

**T**he Centers for Disease Control and Prevention (CDC) announced it will award a total of over \$75 million to health departments in all 50 states to help them respond to infectious disease outbreaks and potential threats. The funds will be used to hire more than 1,000 epidemiologists, health information technology staffers and laboratory professionals who will provide surveillance, detection and response services.

## **Upcoming Committee Health Hearings**

***House Education and the Workforce Health, Employment, Labor and Pensions Subcommittee: will hold a field hearing titled "Health Care Challenges Facing Kentucky's Workers and Job Creators." 10 a.m. Aug. 27, Farish Theater, Central Library Branch, Lexington Public Library, 140 E. Main.***

***Committee on Veterans' Affairs: Full Committee hearing titled "A Matter of Life and Death: Examining Preventable Deaths, Patient-Safety Issues and Bonuses for VA Execs Who Oversaw Them," 9:00 a.m., Sept. 9.***

***Committee on Homeland Security, Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies hearing titled "The Threat to Americans' Personal Information: A Look into the Security and Reliability of the Health Exchange Data Hub," 2:00 p.m., Sept. 11.***

***Committee on Veterans' Affairs: Subcommittee on Disability Assistance and Memorial Affairs hearing titled "Implementation Update: Fully Developed Claims," 3:00 p.m., Sept. 11.***