



## Administration Goes on Offensive Against House/Ryan FY 2012 Budget Plan

### *Dueling Budget Plans*

The President has gone on the offensive to criticize the House-passed Ryan FY 2012 budget resolution, stating that the plan is “fairly radical” in turning Medicare into a “premium support” program for those under age 55 and in turning Medicaid into a state grant program. **HHS Secretary Kathleen Sebelius** said that changing Medicare into a premium support voucher program would not address growing health care costs and would be a “move backwards.” Republicans responded with their own fusillade criticizing the Obama budget as lacking specific details on entitlement programs.

### **House Energy and Commerce Committee Chairman Fred Upton and House Ways and Means Chairman Dave Camp** sent

a letter to the President stating that they intend to look at all Medicare reform proposals but want more information about the savings estimates in the President’s plan. They also asked for more information about how the President’s proposal to strengthen the IPAB would affect Medicare payment policies for providers in 2014 and whether it would result in changes to the Medicare benefit package. They also sought additional information on how the President’s proposal would affect Medicare Part D.

With the looming vote to increase the national debt limit, **Treasury Secretary**

**Timothy Geithner** said the vote should take place within days of July 8, partisans in Congress say they need to have an agreement on some sort of structure to trim federal deficits. The fact that Standard and Poor’s downgraded the U.S. debt outlook from “stable” to “negative” may give Republicans leverage to gain some sort of advantage to tie the debt limit increase to spending caps or other deficit reduction measures. In related news, CRS released a report stating that while the Ryan budget plan would clearly repeal the individual mandate, the small business tax credits, the high risk pools, the early retiree subsidies, the excise tax on “high-cost” plans, and the long-term care CLASS Act, the budget plan is too vague to determine the budget plan disposition of various other parts of the PPACA.

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## Republicans Continue to Question PPACA Implementation

The Republican-led House Energy and Commerce Committee continues on its mission to attack the PPACA, the latest being letters to AARP, AHA, AHIP, unions and others asking the organizations to provide information about their meetings with the White House and Administration leading to

the enactment of the PPACA. Members of the E&C Oversight and Investigations Subcommittee wrote to CCIIO Director Steve Larson requesting biweekly reports on the enrollment, expenditures and other aspects of the Pre-existing Condition Insurance Plan (PCIP) and the Early Retiree Reinsurance Program (ERRP).

Also, **Senators Hatch, Thune and Enzi wrote to HHS Secretary Kathleen Sebelius** requesting information on the CLASS Act, citing serious concerns about the financial viability of the program. A bicameral letter to HHS also requested that the agency explain recent actions to beef up Medicare Advantage payments.

## DOL Reports on Benefits Under ERISA Health Plans

Last week the Department of Labor issued a report on selected benefits found under employer-based health plans. Included was information on emergency room visits, ambulance services, diabetes care management, kidney dialysis, physical therapy, durable medical equipment, prosthetics, maternity care, infertility treatment, sterilization, gynecological exams and services, and

organ and tissue transplantation. The BLS National Compensation Survey showed that about 90% of such plans covered emergency care visits while many fewer plans specifically covered diabetes care management. The PPACA required DOL to report to HHS on such benefits to guide the agency in defining “essential health benefits” under the law.

## Lawsuits Challenging PPACA

The U.S. Supreme Court issued an order list which omits the appeal by **Virginia AG Kenneth Cuccinelli** requesting an expedited review by the high court of the Virginia District Court case which ruled that the PPACA individual mandate is unconstitutional. The related Circuit Court is to take up the lower court ruling in May.

## Proposed IPPS Payment Update

CMS announced that payments to acute care hospitals for inpatient services in FY 2012 would decrease by about \$498 million under the proposed rule for updating the inpatient prospective payments. However, such payments to LTCHs are projected to increase by \$95 million, or 1.9%. Comments are due by June 20.

## PQRS Bonus Payments Made to Half of Providers in 2009

CMS reported that about 50% of the 210,000 Medicare Part B professionals who participated in the Physician Quality Reporting System (PQRS) in 2009 received bonus payments for providing data on various quality measures.

## ASC Quality Reporting

HHS submitted to Congress a report required under the PPACA on a new value-based purchasing (VBP) program for ambulatory surgical centers. The report said that CMS will be proposing the new rules next year.

## FDA Issues: Voluntary MD Training on Controlled Substances

The FDA released new regulations requiring manufacturers of certain painkillers, such as OxyContin, to provide voluntary training for physicians who prescribe such drugs. Participating

physicians would get continuing education credits for taking such courses.

## EHR Incentive Program

CMS announced that attestation for the Medicare electronic health record incentive program is available under the CMS web-based attestation system. CMS has also posted

multiple resources for eligible providers and hospitals who want to meet the “meaningful use” requirements for EHRs.

## Recently Introduced Health Legislation

**H.R. 1571 (DRUGS)**, to ban the sale of certain synthetic drugs; ADAMS; jointly, to the committees on Energy and Commerce and the Judiciary, April 15.

**H.R. 1580 (MEDICARE)**, to preserve Medicare beneficiary choice by restoring and expanding the Medicare open enrollment and disenrollment opportunities repealed by Section 3204(a) of the Patient Protection and Affordable Care Act; GONZALEZ; jointly, to the committees on Ways and Means and Energy and Commerce, April 15.

**H.R. 1589 (MEDICARE/MEDICAID)**, to amend the Social Security Act to provide for coverage of voluntary advance care planning consultation under Medicare and Medicaid, and for other purposes; BLUMENAUER; jointly, to the committees on Energy and Commerce and Ways and Means, April 15.

**H.R. 1606 (MEDICAID)**, to amend Title XIX of the Social

Security Act to require States to provide oral health services to aged, blind, or disabled individuals under Medicaid, and for other purposes; ENGEL; to the Committee on Energy and Commerce, April 15.

**H.R. 1614 (TAXATION)**, to amend the Internal Revenue Code of 1986 to treat amounts paid for umbilical cord blood banking services as medical care expenses; HERGER; to the Committee on Ways and Means, April 15.

**H.R. 1629 (VOLUNTEER PRACTITIONERS)**, to amend the Public Health Service Act to provide liability protections for volunteer practitioners at health centers under Section 330 of such act; MURPHY of Pennsylvania; to the Committee on Energy and Commerce, April 15.

**H.R. 1630 (MEDICARE)**, to establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds; MURPHY

of Pennsylvania; jointly, to the committees on Rules and the Budget, April 15.

**H.R. 1654 (MEDICARE)**, to amend Title XVIII of the Social Security Act to provide for additional opportunities to enroll under Part B of Medicare, and for other purposes; SCHRADER; jointly, to the committees on Energy and Commerce and Ways and Means, April 15.

**H.R. 1656 (MEDICARE)**, to amend Title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals; SMITH of New Jersey; to the Committee on Ways and Means, April 15.

**H. Res. 234 (CANCER SCREENING)**, recognizing the importance of breast cancer early detection efforts; MYRICK; to the Committee on Energy and Commerce, April 15.