



Congress Makes Progress on Tax Extenders, CHIP

CHIP Extension Proposed in Both Chambers

Democrats of the Senate Finance Committee and the House Energy and Commerce Committee have introduced legislation that would extend funding for the Children’s Health Insurance Program (CHIP) through fiscal year (FY) 2019. S. 522, the Protecting and Retaining Our Children’s Health Insurance Program (PRO-CHIP) was introduced by Sen. Sherrod Brown (D-Ohio) and cosponsored by all of the chamber’s Democrats. The bill would be a clean extension of funding for the program, which is currently set to expire at the end of September of this year. H.R. 919, the CHIP Extension and Improvement Act of 2015, was introduced by Ranking Member of the Health Subcommittee Gene Green (D-Texas) and Ranking Member Frank of the full Energy and Commerce Committee Frank Pallone Jr. (D-N.J.). H.R. 919 would also aim to reduce bureaucracy and increase state flexibility in management of the program. The introduction of both bills was widely supported by children’s advocacy groups. CHIP provides coverage to approximately 10 million children and has generally received strong bipartisan support. But despite pressure from nearly 40 governors urging Congress to renew CHIP funding, some Republicans feel that the program overlaps with benefits offered under the Affordable Care Act (ACA). Democrats argue that because many states have not expanded their Medicaid programs since the passage of the ACA, up to 2.7 million children could fall into an insurance gap if CHIP is allowed to expire.

Energy and Commerce Advances Six Bipartisan Bills

Last week, the House Energy and Commerce Committee advanced six bipartisan bills dealing with the protection of public health and the modernization of government. The Committee passed by voice vote H.R. 639, the Improving Regulatory Transparency for New Medical Therapies, which would improve the transparency and consistency of the Drug Enforcement Agency’s (DEA) scheduling of new Food and Drug Administration (FDA)-approved drugs and its registration process for manufacturing controlled

continued on page 2

Inside

- [HELP Discusses Vaccines and Preventable Diseases.....2](#)
- [\\$79.2 Billion in Permanent Tax Credits Pass the House.....2](#)
- [Ryan Announces Plans for ACA Replacement.....2](#)
- [Legislation Introduced to Repeal the Health Insurer Tax.....3](#)
- [Avalere Releases New Analysis on Specialty Tiers.....3](#)
- [Senators Contact CMS Regarding MA Star Ratings.....3](#)
- [House Committee Examines ICD-10 Implementation...4](#)
- [Health Legislation Recently Introduced.....4](#)

continued from page 1

substances for use in clinical trials. The Committee also approved H.R. 471, the Ensuring Patient Access to Effective Drug Enforcement Act, aimed at helping to prevent prescription drug abuse by establishing clear and consistent enforcement standards and promoting collaboration among government agencies, patients, and industry stakeholders. H.R. 647, the Access to Life-Saving Trauma Care for All Americans Act, and H.R. 648, the Trauma Systems and Regionalization of Emergency Care Reauthorization Act, were also advanced. These bills would ensure reauthorization of trauma grant programs.

HELP Discusses Vaccines and Preventable Diseases

There was widespread agreement among Committee members regarding the sound science of vaccination at a hearing on vaccine preventable diseases held by the Senate Health, Education, Labor and Pensions (HELP) Committee. Both parties stressed the importance of immunization, and witness Dr. Anne Schuchat, director of the National Center for Immunization at the Centers for Disease Control and Prevention (CDC), spoke to the recent debate surrounding whether parents should have some choice in whether they vaccinate their children. She testified that there is overwhelming and consistent scientific evidence that vaccines are safe and effective. Further, she and other witnesses stated that an earlier published study linking vaccination to autism was discredited due to fraudulent data and that there is no scientific evidence that vaccines cause mental disorders, a concern voiced many parents who choose not to vaccinate their children. Sen. Barbara Mikulski (D-Md.) and Sen. Susan Collins (R-Maine) expressed concerns about the \$50 million cut to a CDC vaccination program proposed in the President's budget. Dr. Schuchat replied that the CDC would try to offset the impact of these cuts by increasing the billing of insurance for vaccines. There have been 121 cases of measles across 17 states since the beginning of the year, with the outbreak centered at Disneyland in California among people who were not vaccinated.

\$79.2 Billion in Permanent Tax Credits Pass the House

The House of Representatives has passed H.R. 636, a bill combining three small business tax-extender provisions. The legislation includes a \$77.1 billion increase in the amount a small business can deduct from their taxes for the cost of purchases. The bill also contains a measure to extend deductions for S corporations' charitable contributions. H.R. 636 was approved by a vote of 272-142. The bill follows House approval of a package of tax credits for charitable giving earlier last week. Democrats object to the tax extenders because of their impact on the deficit, and the White House has threatened to veto the measures because they contain no offsets. The Senate has also proceeded in taking a stepwise approach to tax code revisions. Lawmakers sent 17 different tax bills to the Senate floor last week.

Affordable Care Act Update

Ryan Announces Plans for ACA Replacement

House Ways and Means Chairman Paul D. Ryan (R-Wisc.) has declared plans to release a Republican alternative to the ACA by the end of March as one of his top priorities. Along with House Energy and Commerce Chairman Fred Upton (R-Mich.) and House Education and Workforce Chairman John Kline (R-Minn.), Rep. Paul was appointed to a working group in January by Majority Leader Kevin McCarthy (R-Calif.) to create a comprehensive replacement for the ACA. The focus on preparing an ACA replacement is due in part to the Supreme Court decision in the *King v. Burwell* case expected this spring, which could invalidate health care subsidies for three-quarters of states. Rep. Ryan has reiterated that the replacement plan will not simply tweak language in current law in order to keep federal subsidies in place.

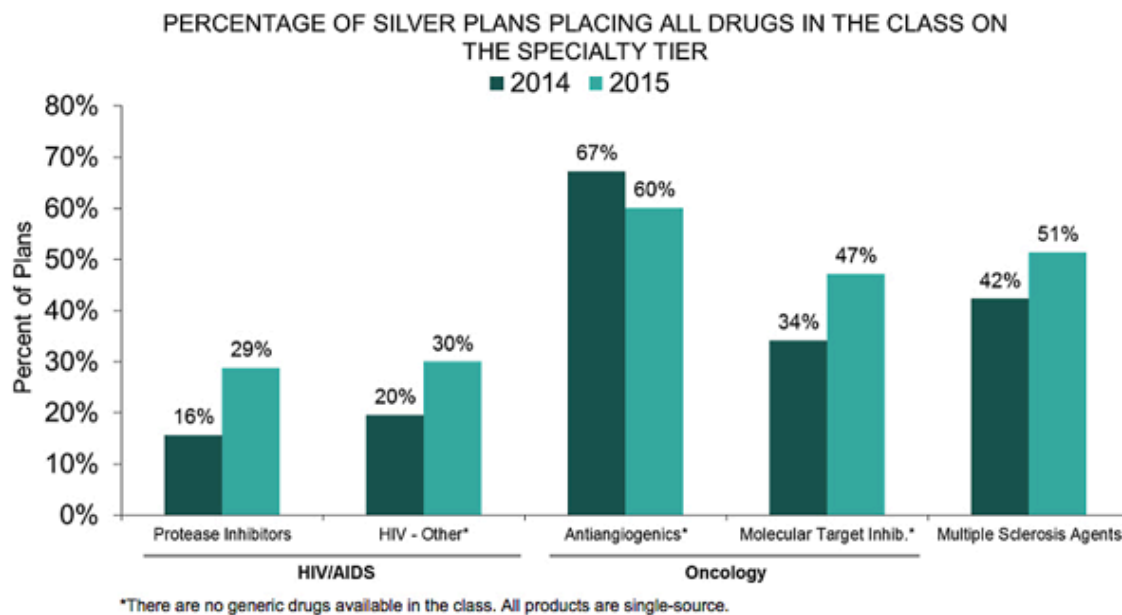
Affordable Care Act Update cont.

Legislation Introduced to Repeal the Health Insurer Tax

Bipartisan legislation has been introduced in the House to repeal the ACA's tax on health insurance companies. The bill was introduced by Rep. Charles Boustany (R-La.), a cardiovascular surgeon, and Rep. Kyrsten Sinema (D-Ariz.). Rep. Boustany had previously introduced the bill in the 113th Congress with more than 200 co-sponsors. According to the Congressional Budget Office (CBO), the tax would yield \$14.3 billion in revenue by 2018, though the tax could largely be passed to consumers through higher premiums and out-of-pocket costs.

Avalere Releases New Analysis on Specialty Tiers

According to a [new analysis](#), exchange benefit designs increasingly place all medications for some conditions on a specialty drug tier. Avalere Health found that in some exchange plans, drugs used to treat complex diseases such as cancer, HIV, and multiple sclerosis are only included on the highest cost-sharing drug formulary tier. As can be seen in the graph below, Avalere finds that in five of the 20 drug classes reviewed, some plans placed all drugs in a class on the specialty tier. Medications placed on specialty tiers require significant out-of-pocket costs for patients. Specialty tier designs are used by insurance plans in order to increase enrollment through low and stable premiums, which is the main characteristic consumers use for the purpose of plan selection.



©2015 Avalere Health, LLC

Medicare & Medicaid News

Senators Contact CMS Regarding MA Star Ratings

A group of 40 senators led by Sen. Rob Portman (R-Ohio) and Sen. Bill Nelson (D-Fla.) have submitted a letter to the Centers for Medicare and Medicaid Services (CMS) outlining their concerns regarding the star rating system used to provide beneficiaries with a means to assess the quality of Medicare Advantage (MA) plans. A plan's star rating is also tied to quality bonus payments. The senators worry that the star rating system does not accurately assess a plan's performance, which could lead to reduced resources for that plan. This would be especially detrimental for plans serving vulnerable populations. The senators urged the agency to further take into consideration population risk factors and socioeconomic status in determining a plan's star rating.

Medicare & Medicaid News cont.

House Committee Examines ICD-10 Implementation

The House Energy and Commerce Health Subcommittee held a hearing on the subject of ICD-10 implementation, scheduled for October 1st of this year. There was bipartisan agreement that the transition from ICD-9 to ICD-10 should not be further delayed. Dr. Terry, representing the American Urological Association, testified to the physician concerns about losing time with patients while attempting to enter new billing codes, and the potential of ICD-10 implementation resulting in missed payments due to coding errors. Several witnesses at the hearing testified about how ICD-10 will improve data for the purposes of medical research and will facilitate a movement from volume to value driven care.

Health Legislation Recently Introduced

H.R. 815 (PHSA), to amend title XXVII of the Public Health Service Act to preserve consumer and employer access to licensed independent insurance producers; LONG; to the Committee on Energy and Commerce; Feb. 9

H.R. 817 (MEDICARE), to suspend the implementation of zip code reclassifications for Medicare payment for ambulance services, and for other purposes; NUNES; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 9

H.R. 818 (WASTE/FRAUD/ABUSE), to amend titles XVIII and XIX of the Social Security Act to curb waste, fraud, and abuse in the Medicare and Medicaid programs; ROSKAM; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 9

S. 418 (HEALTH EDUCATION), to support and encourage the health and well-being of elementary school and secondary school students by enhancing school physical education and health education; UDALL; to the Committee on Health, Education, Labor, and Pensions; Feb. 9

H.R. 822 (AMBULANCE SERVICES), to amend title XVIII of the Social Security Act to require reporting of certain data by providers and suppliers of air ambulance services for purposes of reforming reimbursements for such services under the Medicare program, and for other purposes; SESSIONS; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 10

H.R. 826 (MENTAL HEALTH), to provide for a study by the Institute of Medicine on gaps in mental health services and how these gaps can increase the risk of violent acts; MCKINLEY to the Committee on Energy and Commerce; Feb. 10

H.R. 835 (MEDICAID), to amend title XIX of the Social Security Act to provide a standard definition of therapeutic foster care services in Medicaid; DELAURO; to the Committee on Energy and Commerce; Feb. 10

H.R. 836 (EMERGENCY MEDICAL SERVICES), to improve access to emergency medical services, and for other purposes; DENT; to the Committee on Energy and Commerce; Feb. 10

H.R. 837 (COORDINATED CARE), to implement a demonstration project under titles XVIII and XIX of the Social Security Act to examine the costs and benefits of providing payments for comprehensive coordinated health care services provided by purpose-built, continuing care retirement communities to Medicare beneficiaries; FITZPATRICK; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 10

H.R. 842 (HUNTINGTON'S DISEASE), to require the Commissioner of Social Security to revise the medical and evaluation criteria for determining disability in a person diagnosed with Huntington's Disease and to waive the 24-month waiting period for Medicare eligibility for individuals disabled by Huntington's Disease; KINZINGER; to the Committee on Ways and Means; Feb. 10

H.Res. 102 (CANCER), expressing support for designation of September 25, 2015, as "National Pediatric Bone Cancer Awareness Day"; FARENTHOLD; to the Committee on Energy and Commerce; Feb. 10

Health Legislation Recently Introduced cont.

S. 420 (PPACA), to amend the Internal Revenue Code of 1986 to ensure that emergency services volunteers are not taken into account as employees under the shared responsibility requirements contained in the Patient Protection and Affordable Care Act; TOOMEY; to the Committee on Finance; Feb. 10

S. 428 (MEDICAID/CHIP), to amend titles XIX and XXI of the Social Security Act to provide for 12-month continuous enrollment under Medicaid and the Children's Health Insurance Program, and for other purposes; BROWN; to the Committee on Finance; Feb. 10

S. 429 (MEDICAID), to amend title XIX of the Social Security Act to provide a standard definition of therapeutic foster care services in Medicaid; BALDWIN; to the Committee on Finance; Feb. 10

S. 432 (ACA), to amend the Internal Revenue Code of 1986 to exempt certain small businesses from the employer health insurance mandate and to modify the definition of full-time employee for purposes of such mandate; ENZI; to the Committee on Finance; Feb. 10

H.R. 865 (PHSA), to amend the Public Health Service Act to limit the liability of health care professionals who volunteer to provide health care services in response to a disaster; BLACKBURN; jointly, to the committees on Energy and Commerce and the Judiciary; Feb. 11

H.R. 868 (TRICARE), to provide for coordination between the TRICARE program and eligibility for making contributions to a health savings account, and for other purposes; STEWART; jointly, to the committees on Ways and Means and the Committee on Armed Services; Feb. 11

H.R. 876 (OBSERVATION STATUS), to amend title XVIII of the Social Security Act to require hospitals to provide certain notifications to individuals classified by such hospitals under observation status rather than admitted as inpatients of such hospitals; DOGGETT; jointly, to the committees on Ways and Means and Energy and Commerce; Feb. 11

H.R. 880 (RESEARCH), to amend the Internal Revenue Code of 1986 to simplify and make permanent the research credit; BRADY; to the Committee on Ways and Means; Feb. 11

H.R. 886 (ACA), to amend title XIX of the Social Security Act to permit States to impose workforce requirements for individuals made eligible for medical assistance under the amendments made by the Affordable Care Act, and for other purposes; WESTERMAN; to the Committee on Energy and Commerce; Feb. 11

H.R. 887 (EHR), to amend title XVIII of the Social Security Act with respect to the treatment of patient encounters in ambulatory surgical centers in determining meaningful EHR use, and for other purposes; BLACK; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 11

H.R. 903 (PPACA), to require notification of individuals of breaches of personally identifiable information through Exchanges under the Patient Protection and Affordable Care Act, and for other purposes; PITTS; to the Committee on Energy and Commerce; Feb. 11

H.Res. 106 (PROSTATE CANCER), supporting quality of life for prostate cancer patients; PAULSEN; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 11

H.R. 448 (TRICARE), to provide for coordination between the TRICARE program and eligibility for making contributions to a health savings account, and for other purposes; MORAN; to the Committee on Finance; Feb. 11

S. 453 (PHSA), to amend the Public Health Service Act to provide grants to States to streamline State requirements and procedures for veterans with military emergency medical training to become civilian emergency medical technicians; CASSIDY; to the Committee on Health, Education, Labor, and Pensions; Feb. 11

Health Legislation Recently Introduced cont.

S. 459 (MEDICAID), to require the Secretary of Health and Human Services to approve waivers under the Medicaid Program under title XIX of the Social Security Act that are related to State provider taxes that exempt certain retirement communities; BOOZMAN; to the Committee on Finance; Feb. 11

S. 466 (MEDICAID/CHIP), to amend title XI of the Social Security Act to improve the quality, health outcomes, and value of maternity care under the Medicaid and CHIP programs by developing maternity care quality measures and supporting maternity care quality collaboratives; STABENOW; to the Committee on Finance; Feb. 11

S. 469 (MILITARY HEALTH), to improve the reproductive assistance provided by the Department of Defense and the Department of Veterans Affairs to severely wounded, ill, or injured members of the Armed Forces, veterans, and their spouses or partners, and for other purposes; MURRAY; to the Committee on Veterans' Affairs; Feb. 11

H.R. 909 (BREAKTHROUGH DRUGS), to amend the Federal Food, Drug, and Cosmetic Act with respect to expanding access for breakthrough drugs, and for other purposes; MCCAUL; to the Committee on Energy and Commerce; Feb. 12

H.R. 919 (CHIP), to amend title XXI of the Social Security Act to extend and improve the Children's Health Insurance Program, and for other purposes; GREEN; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 12

H.R. 921 (SPORTS MEDICINE), to provide protections for certain sports medicine professionals who provide certain medical services in a secondary State; GUTHRIE; jointly, to the committees on Energy and Commerce and the Judiciary; Feb. 12

H.R. 928 (PPACA), to repeal the annual fee on health insurance providers enacted by the Patient Protection and Affordable Care Act; BOUSTANY; jointly, to the committees on Ways and Means and Energy and Commerce; Feb. 12

H.R. 931 (BACTERIAL RESISTANCE), to provide for approval of certain drugs and biological products indicated for use in a well-defined population of patients in order to address increases in bacterial resistance to drugs and biological products, and for other purposes; DELAURO; to the Committee on Energy and Commerce; Feb. 12

H.R. 933 (VACCINES), to amend the Head Start Act to ensure that all children in Head Start and Early Head Start programs are vaccinated, and allow exemptions only for children with underlying medical conditions, for whom vaccines are therefore medically contraindicated; ESHOO; to the Committee on Education and the Workforce; Feb. 12

H.R. 940 (PHSA), to amend the Patient Protection and Affordable Care Act to protect rights of conscience with regard to requirements for coverage of specific items and services, to amend the Public Health Service Act to prohibit certain abortion-related discrimination in governmental activities, and for other purposes; BLACK; jointly, to the committees on Energy and Commerce and Ways and Means; Feb. 12

H.R. 941 (VETERANS), to amend the Veterans Access, Choice, and Accountability Act of 2014 to extend the requirement of the Secretary to furnish hospital care and medical services through non-Department of Veterans Affairs entities to veterans residing in certain locations; KUSTER; to the Committee on Veterans' Affairs; Feb. 12

H.R. 943 (MEDICARE), to amend title XVIII of the Social Security Act to repeal the requirement for employer disclosure of information on health care coverage of employees who are Medicare beneficiaries, and for other purposes; LEWIS; jointly, to the committees on Ways and Means and Energy and Commerce; Feb. 12

H.R. 952 (SKILLED NURSING FACILITIES), to amend titles XVIII and XIX of the Social Security Act to establish a minimum direct care registered nurse staffing requirement at nursing facilities and skilled nursing facilities under Medicare and Medicaid and for other purposes; SCHAKOWSKY; jointly, to the committees on Ways and Means and Energy and Commerce; Feb. 12

Health Legislation Recently Introduced cont.

H.R. 953 (DRUG ABUSE), to authorize the Attorney General to award grants to address the national epidemics of prescription opioid abuse and heroin use; SENSENBRENNER; jointly, to the committees on the Judiciary, Energy and Commerce, and Education and the Workforce; Feb. 12

H.R. 954 (CO-OP), to amend the Internal Revenue Code of 1986 to exempt from the individual mandate certain individuals who had coverage under a terminated qualified health plan funded through the Consumer Operated and Oriented Plan (CO-OP) program; SMITH; to the Committee on Ways and Means; Feb. 12

H.Res. 109 (RARE DISEASES), expressing support for the designation of February 28, 2015, as "Rare Disease Day"; CARSON; to the Committee on Energy and Commerce; Feb. 12

S. 470 (ACA), to amend the Internal Revenue Code of 1986 to exempt certain educational institutions from the employer health insurance mandate, and for other purposes; THUNE; to the Committee on Finance; Feb. 12

S. 471 (VETERANS), to improve the provision of health care for women veterans by the Department of Veterans Affairs, and for other purposes; HELLER; to the Committee on Veterans' Affairs; Feb. 12

S. 480 (PHSA), to amend and reauthorize the controlled substance monitoring program under section 3990 of the Public Health Service Act; SHAHEEN; to the Committee on Health, Education, Labor, and Pensions; Feb. 12

S. 481 (CLINICAL TESTING), to amend the Controlled Substances Act and the Federal Food, Drug, and Cosmetic Act with respect to drug scheduling recommendations by the Secretary of Health and Human Services, and with respect to registration of manufacturers and distributors seeking to conduct clinical testing, and for other purposes; HATCH; to the Committee on Health, Education, Labor, and Pensions; Feb. 12

S. 483 (DRUG ABUSE), to improve enforcement efforts related to prescription drug diversion and abuse, and for other purposes; HATCH; to the Committee on the Judiciary; Feb. 12

S. 484 (COMPARATIVE EFFECTIVENESS), to protect all patients by prohibiting the use of data obtained from comparative effectiveness research to deny or delay coverage of items or services under Federal health care programs and to ensure that comparative effectiveness research accounts for advancements in personalized medicine and differences in patient treatment response; ROBERTS; to the Committee on Finance; Feb. 12

S. 488 (CARDIOLOGY), to amend title XVIII of the Social Security Act to allow physician assistants, nurse practitioners, and clinical nurse specialists to supervise cardiac, intensive cardiac, and pulmonary rehabilitation programs; SCHUMER; to the Committee on Finance; Feb. 12

S. 505 (TAX CREDITS), to amend the Internal Revenue Code of 1986 to extend the Health Coverage Tax Credit; to the Committee on Finance; PORTMAN; Feb. 12

S. 506 (PROMPT PAY), to amend part B of title XVIII of the Social Security Act to exclude customary prompt pay discounts from manufacturers to wholesalers from the average sales price for drugs and biologicals under Medicare, and for other purposes; ROBERTS; to the Committee on Finance; Feb. 12

S. 522 (CHIP), to amend title XXI of the Social Security Act to extend the Children's Health Insurance Program, and for other purposes; BROWN; to the Committee on Finance; Feb. 12

S. 524 (DRUG ABUSE), to authorize the Attorney General to award grants to address the national epidemics of prescription opioid abuse and heroin use; WHITEHOUSE; to the Committee on the Judiciary; Feb. 12