



## Health Policy Briefing

August 11, 2014

### Ebola Outbreak Catches Attention of Congress During President’s Africa Summit

#### House Committee Receives Testimony on Ebola Crisis

Last Thursday the House Foreign Affairs Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations held a hearing titled “Combating the Ebola Threat” in which the Director of the Centers for Disease Control and Prevention (CDC) testified that the current Ebola outbreak is likely to sicken more people than all previous outbreaks combined. He stressed the need for a more rigorous response by emphasizing steps known to have stopped the spread of the virus in the past. Subsequently, the CDC elevated its Ebola response to the highest level and recommended against traveling to West Africa. The President indicated that he will authorize that aid be sent to help affected countries bolster their public health infrastructure. The Administration is also considering the use of experimental drugs to help contain the outbreak, although it was said that it would be at least several months before such drugs could be made available in any quantity. The CDC Director also said that “we don’t know whether that treatment is helpful, harmful or doesn’t have any impact...” In addition, the World Health Organization (WHO) declared the outbreak to be an international public health emergency that requires an extraordinary response to stop its spread. What response this declaration will result in remains unclear, although during the President’s “Africa Summit” held in Washington, D.C. the State Department and the CDC met with the President of Guinea, Alpha Condé, and senior officials from Liberia and Sierra Leone to help identify national and regional priorities and the types of assistance needed to mount an effective response.

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## ***Veterans' Reform Bill Enacted***

President Obama signed into law H.R. 3230, the “***Veterans' Access to Care Through Choices, Accountability, and Transparency Act of 2014***” which Congress passed before taking their five-week August recess. Among other provisions, the new law contains \$17 billion in funding for the Department of Veterans Affairs (VA) of which \$5 billion will go to hire new VA staff for an expected increase in caseloads and \$10 billion to pay for medical services outside the VA for veterans’ who live more than 40 miles from a VA facility or who experience wait times over 30 days. About \$5 billion of the total cost will be offset by provisions limiting tuition assistance for veterans, extending fees collected on housing loans guaranteed by the VA, and capping bonuses for VA employees. The remainder (less any savings to other federal programs, such as Medicare, resulting from the provision of non-VA care to veterans) will be added to the federal budget deficit.

## **PPACA Health Reform Update**

### ***IRS Gets High Marks for Accurately Verifying Individual Tax Credit Information***

The Treasury Inspector General for Tax Administration said it found 99.9% accuracy in a test of the Internal Revenue Service’s (IRS) ability to verify household income and family size of a sample of persons making requests for advance premium tax credits under the Patient Protection and Affordable Care Act’s (PPACA) exchanges. As of March 31st, the IRS reported that it had received more than 27 million information requests.

### ***CMS Reports on Expansion of Medicaid Enrollment***

The Centers for Medicare and Medicaid Services (CMS) said that Medicaid enrollment grew to over 66 million beneficiaries in June with 7 million people being added to the Medicaid and Children’s Health Insurance Program (CHIP) rolls after the beginning of the PPACA open season. The agency reported that children make up about 55% of the total Medicaid and CHIP program enrollment.

### ***Senator Johnson to Appeal Adverse Court Ruling on Employer Contributions***

Senator Ron Johnson (R-WI) has vowed to appeal an adverse decision he received by the U.S. District Court for the Eastern District of Wisconsin in which he argued that Members of Congress and their staff are not eligible for continued employer contributions to their health plans after the passage of the PPACA. While the court said that the case lacked “concrete injury”, the senator said that he was forced to decide on whether to include himself and his staff in the new exchanges or allow staff to remain covered under the current federal employees’ health benefits plan. In another case contesting the PPACA, the Ninth Circuit Court of Appeals ruled that an Arizona doctor’s challenge to the provision establishing the Independent Payment Advisory Board (IPAB) isn’t ripe for judicial resolution and remanded the case to the initial lower court in which it was heard with instructions to dismiss the complaint.

### ***HHS Awards PPACA Grants for Home Visiting Services***

The U.S. Department of Health and Human Services (HHS) announced that 46 states, D.C. and five other jurisdictions have been awarded about \$107 million under the Maternal, Infant, and Early Childhood Home Visiting Program to expand home visiting services to women during pregnancy and to parents with children up to age 5.

### ***PCORI Announces CER Grants***

The Patient-Centered Outcomes Research Institute (PCORI) announced that up to \$76 million in funding for comparative effectiveness research (CER) projects will be granted for opportunities related to: the assessment of prevention, diagnosis and treatment options; improving health-care systems; communication and dissemination research; addressing disparities; and accelerating patient-centered outcomes research and methodological research. Letters of intent for the grants are due by September 5th.

## Medicare/Medicaid/PHSA Corner

### *CMS Issues Final FY 2015 Medicare Payment Rules for Hospitals and Hospices*

CMS issued final rules under which 3,400 general acute care hospitals and 435 long-term care hospitals will receive a 1.4% net increase in their fiscal year (FY) 2015 Medicare payment rates, although the agency said the rule will still reduce overall spending on inpatient hospital services by about \$756 million in the fiscal year because of disproportionate share hospital (DSH) and other changes to inpatient prospective payment system (IPPS) payment policies. CMS also issued a final rule under which 3,545 hospice entities will receive a 1.4% net increase in their payment rates for the next fiscal year. The rule also requires hospices to provide CMS with a notice of election (NOE) within five days of a beneficiary's election of exclusive medical services from a hospice and named attending physician.

### *CMS Announces Demo to Evaluate IVIG Home Infusion*

CMS announced that applications are due between August 8 and September 12 for a new demonstration project designed to evaluate the benefits of providing bundled payments for Medicare Part B items and services needed for the in-home administration of intravenous immune globulin (IVIG) for eligible beneficiaries with a diagnosis of a primary immune deficiency disease (PIDD). The three-year demo may enroll up to 4,000 Medicare beneficiaries and spend up to \$45 million.

### *Launch of Open Payments System Delayed*

CMS announced that it will delay the public launch of the Open Payments System for an unspecified period in order to investigate technical issues with the website, such as long wait times and other errors, that physicians are having in trying to review and verify payment disclosure reports.

### *Republican Senators Urge the FDA to Release Guidance on Biosimilar Pathways*

Senators Lamar Alexander (R-TN), Orrin Hatch (R-UT), Mike Enzi (R-WY), Richard Burr (R-NC) and Pat Roberts (R-KS) have written the Food and Drug Administration (FDA) urging the agency to "immediately release [draft] guidance pending within the HHS related to the implementation of the biosimilar pathway....Only in this way will FDA's policies be informed by patients, healthcare professionals, policy makers, and others." They said that participation by interested parties is necessary before the FDA settles on final rules.

## Health Legislation Recently Introduced

**H.R. 5392** (INSURANCE REGULATION), to amend the Internal Revenue Code of 1986 to provide for the determination of the employer mandate under the PPACA without regard to alien agricultural seasonal workers; ELLMERS; to the Committee on Ways and Means, Aug. 1.

**H.R. 5393** (MEDICARE), to amend Title XVIII of the Social Security Act to provide for required Medicare hospice program surveys, and for other purposes; REED; jointly, to the committees on Ways and Means and Energy and Commerce, Aug. 1.

**H.R. 5398** (VETERANS' HEALTH), to amend Title 38, U.S. Code, to provide for additional qualification requirements for individuals appointed to marriage and family therapist positions in the Veterans Health Administration of the Department of Veterans Affairs; PETERS of California; to the Committee on Veterans' Affairs, Aug. 1.