



Health Policy Briefing

September 9, 2013

House Will Attempt to Pass CR This Week Before Vote on Syria and Also Pass PPACA Bill

House Tentatively Plans to Take Up Short-Term Continuing Resolution (CR) This Week

House Republican leaders have tentatively scheduled for Wednesday the consideration of a House Joint Resolution designed to give federal agencies continued funding through early or mid-December. Also scheduled for the same day in the House is H.R. 2775, the “No Subsidies Without Verification Act,” legislation introduced by **Rep. Diane Black (R-TN)** that would prohibit any federal subsidies to be made to individuals enrolled under the Patient Protection and Affordable Care Act (PPACA) health insurance exchanges until there is a system in place that verifies an individual’s eligibility. The extent to which the continuing resolution (CR) will contain extraneous provisions-- such as an effort to defund the PPACA, repeal the PPACA medical device tax or reduce the effect of sequestration on defense and/or domestic spending--remains to be seen. However, it is possible that a resolution to continue spending at current rates may delay the full effect of sequestration on agency spending during the duration of the short-term CR. If the House and Senate succeed in passing the CR, it is likely that congressional

appropriators will abandon any further effort to pass individual fiscal year (FY) 2014 appropriations bills in this session and proceed to negotiate an omnibus spending bill for consideration in December. This schedule would also give time for Congress to negotiate over additional priorities, such as legislation to raise the federal debt limit and bipartisan legislation which would repeal the current sustainable growth rate (SGR) Medicare physician payment system and replace it with a permanent system emphasizing health care quality.

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PPACA Health Reform Update

Cost of Potential PPACA Changes

As various Republican congressional interests continue their pursuit of changes to hamper the implementation of the Patient Protection and Affordable Care Act (PPACA), the budgetary issues connected to such changes loom large. For example, the Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT) estimated that the effects of H.R. 2668, legislation passed by the House to delay the PPACA individual mandate until 2015, would result in a reduction in federal spending of about \$35 billion over ten years. The CBO and the JCT also said outlays for Medicaid and the Children's Health Insurance Program (CHIP) would be \$16.9 billion lower over the 2014-2023 period under the House bill than under current law. In another shot at potential changes that the Administration may be considering, House Ways and Means Committee Chairman Dave Camp (R-MI) and Education and the Workforce Committee Chairman John Kline (R-MN) asked CBO/JCT by September 19th to provide them with an estimate of how many individuals would be eligible for premium tax credits if "multiemployer plans" were declared eligible for such credits by deeming them "qualified health plans" (such as those under health insurance exchanges) and whether the Administration would have the legal authority to do so. They said they are concerned about the cost of such a move by the Administration given prior actions resulting in "granted waivers, special deals and delays to unions and other politically-favored friends...." The Senate Conservatives Fund and its House counterpart proponents have not given up on pressing for the inclusion of a provision to defund the PPACA in the upcoming debate over the continuing resolution for FY 2014 despite pressure from Republican leaders to defer this move until December. Also, Senators Lee (R-UT) and Vitter (R-LA) and Reps. DeSantis (R-FL) and Gingrey (R-GA) said they will push for legislation to overturn the Office of Personnel Management's (OPM) ruling that congressional members and their staff continue to be eligible for their former Federal Employees Health Benefits Program (FEHBP) employer contributions regardless of their responsibility to obtain health coverage from PPACA health insurance exchanges next year. This provision is expected to result in a small budget saving in the future. Proponents of the law also continue to voice support for PPACA "reforms". For example, former President Bill Clinton recently said that "the benefits of reform can't be fully realized, and problems certainly can't be solved, unless both the supporters and the opponents of the original legislation work together to implement it and address the issues that arise whenever you have a system this complicated...." In this connection, he called for the expansion of PPACA subsidies for dependents and small business tax credits which would add significantly to federal spending in the future.

PPACA IRS Regulations

The Internal Revenue Service (IRS)/U.S. Department of Treasury issued proposed regulations under the PPACA tax provisions requiring health insurers, employers sponsoring self-insured plans and others providing minimum essential health coverage to employees to submit annual returns to the IRS with information on each full-time employee to whom they provided such coverage during the tax year for which they are reporting. Self-insured multiemployer plans are not treated as one plan and, therefore, each contributing employer must report for the employees covered under such a plan. The proposed regulations relating to the Internal Revenue Code (IRC) Section 6055 information return must be filed by the end of February 2016 for plan calendar years starting on or after 2014. Comments are due by November 8, 2013. The agencies also released proposed regulations under IRC Section 6056 requiring large employers with 50 or more full-time equivalent employees to report to the IRS, as above, on whether and what kind of health care coverage they have offered employees and their compliance with the employer mandate "shared responsibility" provisions of IRC Section 4980H. The IRS has also asked for comments as to any burdens and improvements that may be associated with previously issued interim final rules for group health plans and insurers to provide "patient protection notices" relating to the PPACA's limitations on pre-existing conditions.

PPACA Grants Under MIECHV Program

HHS announced that it has provided \$69.7 million to thirteen states to expand Maternal, Infant and Early Childhood Home Visiting (MIECHV) Program activities designed to improve health and development outcomes for at-risk children through evidence-based home visiting programs.

Medicare/Medicaid/Public Health Services Corner

Members Seek Information on HHS' Medicare Secondary Payer System

House Energy and Commerce Committee Republicans Marsha Blackburn (TN), Joe Barton (TX), Tim Murphy (PA) and Michael Burgess (TX) sent a letter to the Centers for Medicare and Medicaid Services (CMS) asking the agency to report on efforts to implement legislation relating to the Medicare Secondary Payer System (MSPS). They want a response by September 19th on proposed regulations and the extent to which the agency has eliminated the use of beneficiary Social Security and health claims form numbers in MSPS activities.

HHS Plan to Prevent Adverse Drug Events

The U.S. Department of Health and Human Services (HHS) Office of Disease Prevention and Health Promotion has asked for comments on a proposed National Action Plan for Adverse Drug Event (ADE) Prevention which is intended to provide an overview of current federal efforts to support surveillance, prevention, research and the use of policy levers to reduce ADEs. Comments are due by early October.

Upcoming Committee Health Hearings

House Committee on Veterans' Affairs 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., 436 Grant Street Pittsburgh, PA 15219; Sept 9.

House Energy and Commerce Committee Health Subcommittee hearing titled "PPACA Pulse Check: Part 2"; 10:15 a.m., 2322 Rayburn Bldg; Sept. 10.

House 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., 311 Cannon Bldg; Sept. 11.

House Committee on Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs hearing titled "Implementation Update: Fully Developed Claims;" 3:00 p.m., 334 Cannon Bldg; Sept. 11.

Senate HELP Primary Health and Aging Subcommittee hearing on dentistry in the United States; 10:00 a.m., 430 Dirksen Bldg; Sept. 12.

Senate Special Aging Committee hearing titled "Older Americans: The Changing Face of HIV/AIDS in America;" 2:00 p.m., 562 Dirksen Bldg; Sept. 18.