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NEXT WEEK IN WASHINGTON...

- * The Oversight and Investigations Subcommittee of the House Energy and Commerce Committee will hold a hearing on Tuesday, February 3, on public health response efforts to influenza and the effectiveness of vaccines and anti-viral drugs.
- * On Wednesday, February 4, HHS Secretary Sylvia Burwell will be a witness at a hearing of the Senate Finance Committee regarding the HHS budget proposal.

1. FEDERAL AND STATE HEALTH INSURANCE MARKETPLACES COVER 9.5 MILLION

On Tuesday, the US Department of Health and Human Services (HHS) [announced](#) that 9.5 million consumers have signed up for health insurance coverage using online health insurance marketplaces. Eighty-seven percent of enrollees who selected plans via [healthcare.gov](#) receive financial assistance to purchase plans or have lower premiums. In addition, HHS reported that 2.5 million young people have either selected a new plan, or been reenrolled in their plans selected last year. Of the 9.5 million enrollees, 7.1 million signed up for coverage in states using the [healthcare.gov](#) platform, while 2.4 million enrolled in the 14 states and the District of Columbia that use state-based marketplaces. States with the highest enrollment numbers are California (1.2 million) and Florida (1.3 million). Open enrollment extends to February 15.

2. COST OF SGR IS REVISED UPWARD; ACA COST ESTIMATE DECLINES

On Monday, January 26, the Congressional Budget Office Budget (CBO) released the [projections and economic outlook](#) for 2015 to 2025 which set at \$131 billion the ten-year cost of the Medicare Sustainable Growth Rate (SGR) to maintain Medicare’s payment rates for physicians at the current rate. The CBO also lowered the estimated projected costs for the *Affordable Care Act’s* coverage provisions to the federal government to \$76 billion in 2015 and \$1.35 trillion over the 2016-2025 period – a downward revision of the 10-year projection of

about 7 percent, or \$101 billion, from the April 2014 estimate. The estimated net costs for 2015 is primarily spending for subsidies through the health insurance exchanges and from an increase in Medicaid spending. CBO [estimates](#) that 36 million nonelderly people will be uninsured – about 19 million fewer than would have been uninsured in the absence of the ACA – for 2015. From 2016 through 2025, the annual number of uninsured is expected to decrease to between 29 million and 31 million, or between 24 million and 27 million fewer than would have been uninsured without the health care law.

3. INDIANA DECIDES TO EXPAND MEDICAID PROGRAM

Indiana Governor Mike Pence (R) has officially received the green light from CMS to expand his state's Medicaid program by means of the Medicaid expansion proposal that the state submitted in July 2014. Under the expansion, 350,000 Indianans will become eligible for Medicaid coverage, making Indiana the 28th state to expand. The Healthy Indiana Plan (HIP) 2.0 will provide two different options for coverage: one for residents currently living above 100 percent of the federal poverty line (FPL) and another option for those living below it. The negotiated plan reached between Governor Pence and CMS has been hailed as a positive pathway for as many as half a dozen states like Florida, North Carolina, and Wyoming with similar Medicaid expansion proposals under development.

Specifics of the plan include cost sharing requirements such as individuals with incomes under 100 percent of the FPL to pay a contribution of at least \$1 per month, rising to \$20, or choose to forgo some benefits such as dental and vision care. Under the plan, individuals making above 100 percent of FPL will be required to pay at least \$20 a month towards coverage, and be locked out of coverage for six months if they do not pay their copay. In addition, some enrollees will have to pay \$25 copays for repeat inappropriate emergency room usage.

4. HOUSE SUBCOMMITTEE REVIEWS NASPER AND PUBLIC HEALTH BILLS

On Tuesday, January 27, the House Energy and Commerce Committee's Subcommittee on Health held a hearing titled, *Examining Public Health Legislation to Help Patients and Local Communities*, to review [six public health policies](#) to increase access to emergency health care training for veterans, to update regional trauma programs and to manage prescription drug usage. A bill of particular interest is the *National All Schedules Prescription Electronic Reauthorization (NASPER) Act*. The legislation is sponsored by Rep. Ed Whitfield (R-KY) and Frank Pallone (D-NJ).

The NASPER Act would update the state prescription drug monitoring program by improving coordination between the U.S. Department of Health and Human Services and the Department of Justice. It would also support states' efforts to overcome interoperability issues that hamper drug monitoring efforts. Rep. Bucshon (R-IN) highlighted the challenges physicians face with electronic health records. Currently, there are 16 states working with the White House's Office of Information Technology and the Substance Abuse and Mental Health Services Administration to overcome interoperability challenges that are obstructing drug monitoring efforts. The AAFP has a long history of working with policy makers and federal officials to balance pain management and drug-addiction interventions. It [supported](#) the NASPER Act and provided technical assistance on numerous other related policies.

According to the U.S. Centers for Disease Control and Prevention (CDC), prescription drug overdose is a significant and growing public health concern. The prescription drug overdose death rate has doubled since 1999 and it was the leading cause of injury-related death among adults 25 – 64 years of age in 2013, surpassing motor vehicle accidents.

5. HOUSE COMMITTEE CHAIR INTRODUCES A “CURES” INITIATIVE

On January 28, Rep. Fred Upton (R-MI), chair of the House Energy and Commerce Committee introduced a comprehensive 400-page discussion [document](#) for proposed bill to promote medical innovation and regulatory reform, also known as the “21st Century Cures Initiative.” The blueprint was inspired by the FasterCures [Initiative](#), a think tank led by Michael Milken dedicated to promoting faster medical cures. Some provisions that may be of particular interest:

- [EHR Interoperability](#): The legislation would establish new HHS standards for electronic health record interoperability.
- [Antibiotic Drug Development](#): The draft includes language to encourage collaboration between the private sector and FDA to spur antibiotic development and would improve hospital payments to encourage drug development for unmet medical needs.
- [Chronic Disease](#): A provision would require HHS to develop a plan to conduct longitudinal study on how to improve outcomes of patients with chronic disease.
- [Vaccines](#): Section C includes language that would provide certainty and transparency regarding the regulation of vaccines.
- [Telemedicine](#): The discussion draft includes policy to promote telemedicine and use of technologies to improve quality health care for Medicare beneficiaries.
- [Provider Consolidation](#): Language within the bill would require public input on how proposed Medicare payments would impact the consolidation of providers and payers.
- [Drug and Substance Abuse](#): A provision within the bill would prevent high-risk Medicare beneficiaries from abusing controlled substances.
- [CME Sunshine Exemption](#). The bill would clarify that peer-reviewed journals, journal reprints, journal supplements, and medical textbooks are excluded from the reporting requirement under the *Sunshine Act*.

6. AAFP SUPPORTS MEDICARE AND MEDICAID RECOGNIZING SAME-SEX SPOUSES

On January 27, the AAFP sent CMS a [letter](#) in response to a proposed rule that revises the applicable conditions of participation (CoPs) for providers, conditions for coverage (CfCs) for suppliers, and requirements for long-term care facilities, to ensure consistency with the Supreme Court decision in *United States v. Windsor*. Specifically, CMS proposed to revise patients’ rights to ensure that same-sex spouses in legally valid marriages are recognized and afforded equal rights in Medicare and Medicaid participating facilities. The AAFP letter supports this change since it is consistent with [policy](#) on equality for same-gender families.

7. HHS ANNOUNCES GOALS AND TIMELINES FOR SHIFT IN MEDICARE PAYMENTS

On January 26, HHS announced measurable goals and a timeline to move the Medicare program, and the health care system at large, toward paying providers based on the quality, rather than the quantity of care they give patients. HHS set a goal of tying 30 percent of traditional, or fee-for-service, Medicare payments to quality or value through alternative payment models, such as Accountable Care Organizations (ACOs) or bundled payment arrangements by the end of 2016, and tying 50 percent of payments to these models by the end of 2018. HHS also set a goal of tying 85 percent of all traditional Medicare payments to quality or value by 2016 and 90 percent by 2018 through programs such as the Hospital Value Based Purchasing and the Hospital Readmissions Reduction Programs.

"We're all partners in this effort focused on a shared goal. Ultimately, this is about improving the health of each person by making the best use of our resources for patient good. We're on board, and we're committed to changing how we pay for and deliver care to achieve better health," Douglas E. Henley, M.D., executive vice president and chief executive officer of the AAFP said. [[Read a related piece](#) in the *New England Journal of Medicine*, [more on the CMS website](#), a [fact sheet](#) on a related *Learning and Action Network*, and a [blog](#) from HHS Secretary Burwell.]

8. CMS AGREES WITH AAFP AND WILL MODIFY EHR REPORTING REQUIREMENTS

On January 29, CMS [announced](#) the agency's intent to engage in rulemaking this spring to update later this year the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs. These changes would reduce the reporting burden on providers. Most notably, at the urging of a multi-stakeholder provider coalition including the AAFP, CMS stated that it plans to shorten the 2015 EHR reporting period from 365 days to 90 days. By reporting to CMS for a calendar quarter rather than a full year in 2015, family practices will have the flexibility to replace software, and modify workflows, while still avoiding a meaningful-use penalty. The proposed flexibility rule will be separate from a widely anticipated Stage 3 rule, which CMS clarified would be released in early March.

9. HOUSE APPROVES TRAFFICKING AWARENESS TRAINING FOR HEALTH CARE ACT

On January 27, the House of Representatives, by voice vote, approved the "*Trafficking Awareness Training for Health Care Act* (HR 398), which Rep. Renee Ellmers (R-NC) and Debbie Wasserman Schultz (D-FL) introduced to help health care workers recognize the signs of human trafficking. The legislation would require the Department of Health and Human Services to award 10 regional grants to medical schools to develop best practices to help doctors and nurses recognize and intervene on behalf of trafficking victims.

10. SENATE HELP HEARING ON EMPLOYER-SPONSORED WELLNESS PROGRAMS

On January 29, the Senate Health Education, Labor and Pensions (HELP) Committee held a [hearing](#) titled, *Employer Wellness Programs: Better Outcomes and Lower Costs*, to discuss concerns about federal guidance for work place wellness programs. Currently, 18 percent of employers offer incentives associated with employer-based health care benefits. In 2009, the Equal Employment Opportunity Commission (EEOC) ruled that wellness programs violated patients' privacy requirements associated with their voluntary participation. Since then, Congress has enacted the *Affordable Care Act* and the U.S. Court of Appeals ruled based on provisions within the *Americans with Disabilities Act* (ADA). Senate leaders urged the EEOC to issue guidance because of the varied interpretations of these worker privacy protections.

11. AAFP JOINS "FRIEND OF THE COURT" BRIEF

On January 28, the AAFP joined a multi-stakeholder coalition of providers and patient groups in filing a joint [amicus brief](#) in the U.S. Supreme Court in the case of *King v. Burwell*. As an amicus or "friend of the court," the AAFP is not a party to the case, but offering its views as an affected organization. The Court in the *King* case may decide whether the federal government has the authority to continue to provide Americans who are enrolled in health plans through the federal insurance marketplace healthcare.gov (as opposed to the state-operated marketplaces) with tax credits that defray the cost of such plans. The Court will hear oral arguments in *King* on March 4 and decide the case by June.

12. FamMedPAC FINAL NUMBERS FOR 2014; FIRST EVENTS OF THE NEW CONGRESS

The PAC raised more money in the 2014 election cycle than in any previous two-year period. The PAC received \$497,581 in donations in 2014, for an election cycle total of \$932,581. A total of 3,543 AAFP members contributed to the PAC over the two years, with an average contribution of \$263. For the period, 5.22 percent of active members donated to the PAC.

For the 2014 elections, the PAC contributed \$838,000 to 124 candidates and committees. Sixty percent went to Democrats, and 40 percent went to Republicans. Some 84 percent of FamMedPAC-supported candidates won their elections. Included in the total are the first two independent expenditures made by FamMedPAC for mail and radio advertisements for two physician-candidates, \$25,000 each for Rep. Raul Ruiz (D-CA) and Rep. Ami Bera (D-CA), who both won reelection.

Congressional campaigns already have begun raising funds for their 2016 elections. The PAC supported the following candidates/committees this week:

- **Rep. Kevin Brady (R-TX)**, who chairs the Health Subcommittee of the House Ways and Means Committee
- **Democratic Congressional Campaign Committee**, the campaign committee for House Democrats.

13. REGULATORY BRIEFS

- On January 28, CMS [announced](#) collaboration with a wide-range of organizations and tax preparers to ensure that the public understands how health care and their taxes intersect. These groups provide resources, advice, and assistance to tax filers across the country.
- On January 30, HHS [released](#) a plan titled, “Connecting Health and Care for the Nation: A Shared Nationwide Interoperability Roadmap Version 1.0.” The draft Roadmap is a proposal to deliver better care and result in healthier people through the safe and secure exchange and use of electronic health information.
- CMS will host the following free educational calls and [registration](#) is required:
 - Payment of Chronic Care Management Services Under CY 2015 Medicare PFS, February 18, 1:30pm ET
 - ICD-10 Implementation and Medicare Testing, February 26, 1:30pm ET