

October 4, 2013

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NEXT WEEK IN WASHINGTON...

- * On Tuesday, October 8, the Senate Finance Committee will hold a hearing on transforming Medicare post-acute care.
- * On Wednesday, October 9, the House Small Business Committee's Subcommittee on Health and Technology will hold a hearing on the effects on small businesses of the ACA's definition of full-time employee.

1. GOVERNMENT SHUTDOWN CONTINUES

The stalemate over government spending continues as some legislators insist on defunding or delaying the *Affordable Care Act* (ACA) or major provisions of the law. President Obama gathered the bipartisan House and Senate leadership at the White House on Wednesday, October 2, but they failed to reach consensus to end the government shutdown that began October 1. Until Congress and the White House agree to some sort of fiscal year 2014 spending bill, the government shutdown of appropriated agencies and programs will continue.

The AAFP has created a list of how health related agencies are affected, and that list is attached.

The House has begun to pass stopgap spending bills for specific agencies or programs as a way to provide funding to parts of the government on a piecemeal basis. This week, the House passed several of these bills including measures to cover veterans' benefits (HJ Res 72) and to fund the National Institutes of Health (HJ Res 73). However, the President threatened to [veto](#) the targeted appropriations bills as "not a serious or responsible way to run the United States Government." Senate Majority Leader Harry Reid (D-NV) also said he opposed funding the government piecemeal and urged Speaker John Boehner (R-OH) to pass a clean short-term continuing resolution that reopens the government at the \$988 billion funding level until November 15.

On October 17, this crisis may run into the debate over how to extend the federal debt ceiling at which time the Treasury will be unable to cover all of the mandatory and entitlement expenditures, including Medicare and Medicaid payments to physicians, not affected by the annual appropriations process.

2. ENHANCED MEDICAID PAYMENTS FOR PRIMARY CARE VARY BY STATE

According to a recent AMA/AAFP survey, there are several states in which the enhanced Medicaid payment for primary care has yet to begin (CA, GA, KY, NE, NJ, TX, and WI). In other states, the enhanced payments have started in fee-for-service plans, but not yet in the Medicaid Managed Care plans (FL, LA, MI, MN, NM, NY, WA, and DC). In Mississippi and North Carolina, the enhanced payment has not yet been applied retroactively, and North Carolina has had additional calculation error that has resulted in under payment. A number of states appear to be applying the retroactive enhanced payments in stages – often tied to a physician’s date of attestation. California is the only state that has not had its implementation plan approved by the Centers for Medicare and Medicaid Services, which is necessary before the payment can be made. Of the rest of the states that have modified their state plans, Georgia will be the last to implement the parity payment, with a slated November start date.

3. AAFP OFFERS RESOURCES ON NEW HEALTH INSURANCE MARKETPLACES

The AAFP has created resources on *Affordable Care Act* (ACA) implementation for members, chapters, and patients. The [ACA landing page](#) contains educational resources that explain health insurance marketplaces. Additionally, the [ACA Implementation Interactive Map](#) highlights five components of ACA implementation in each state, including health insurance marketplace type, Medicaid expansion status; Medicaid and marketplace websites, Navigator organization websites, and AAFP state chapter websites.

Health insurance marketplaces opened for enrollment on October 1 in all 50 states. The Department of Health and Human Services (HHS) website www.healthcare.gov has received more than 7 million unique visitors during the first three days of open enrollment and HHS call centers have taken nearly 300,000 calls from consumers. HHS is responsible for operating the marketplaces in 34 states.

In DC and the remaining 16 states that are operating their own marketplaces, there was also significant website activity. Officials in Kentucky reported that 6,909 people had completed applications for health coverage in the first three days of open enrollment in their state marketplace, Kynect. More than 2,500 consumers created accounts in MNsure, the Minnesota marketplace. Nearly 79,000 individuals visited the Connect for Health Colorado website on October 1, and the New York marketplace website received more than 2 million visitors in the first 90 minutes of open enrollment.

4. SOME STATES SEEING MARKETPLACE SUCCESS, OTHERS EXPERIENCING ISSUES

Health Insurance Marketplace enrollment opened to the public on Tuesday, October 1. Open enrollment saw its share of technical glitches on state marketplace websites because of the large number of those accessing the websites. Many states like [Pennsylvania](#), [Louisiana](#) and [Florida](#) experienced long wait periods and other problems, while other states, like [Kentucky](#) and [New York](#), seemed to show early success in enrolling their uninsured, or underinsured populations.

This is a list of selected reports from several states:

- **California:** Covered California received 514,000 unique visitors to their site and received 19,000 calls. [LA Times, [10/2/13](#)]
- **Colorado:** As of Wednesday afternoon, Connect for Health Colorado created 6,900 accounts. By Tuesday, more than 3,700 calls had been received. And about 79,000 Coloradans visited the site by 8pm Tuesday. [Denver Post, [10/02/13](#)]

- **Connecticut:** As of 4 p.m. on Wednesday, Access Health CT had processed 373 applications since enrollment in the marketplace set up by President Barack Obama's signature health care law began Tuesday. About 79,000 visitors came to the web site during the first two days and the call center had fielded 3,548 calls. [Republican American, [10/02/13](#)]
 - **District of Columbia:** As of 3 pm on October 1, 3,356 accounts for individuals and families had been set up and nearly 400 coverage applications were submitted. [WUSA, [10/01/13](#)]
 - **Hawaii:** The [Hawaii Health Connector](#) has taken in 1,181 applications for health insurance. [Pacific Business News, [10/03/13](#)]
 - **Idaho:** Idaho's [Yourhealthidaho.org](#) site had 18,000 unique visitors its first day alone. In the first two days, Idaho's call center took more than 800 calls and answered more than 100 emails. [The Spokesman Review, [10/03/13](#)]
 - **Illinois:** More than 71,000 people visited Illinois' new marketplace by late Tuesday. Covered Illinois also tweeted on Monday that it had received [2,800 calls](#) and [2,200 applications](#) submitted in its Medicaid department. [Columbia Daily Tribune, [10/03/13](#)]
 - **Kentucky: Nearly 3,000 Individuals Or Families Enrolled.** “As a result, Kentucky’s exchange, dubbed Kynect, logged solid results in the first day and a half of operation. As of 4:00 p.m. Wednesday, 10,766 applications for health coverage had been initiated, 6,909 had been completed and 2,989 individuals or families had enrolled in new coverage.” [Wall Street Journal, [10/2/13](#)]
 - **Maryland:** More than 2,000 accounts have been created on Maryland Health Connection and 100,000 people have visited the website. [Baltimore Business Journal, [10/03/13](#)]
 - **Nevada:** Nevada Health Link tweeted that by the end of day 2, the site had 77,000 unique visitors, 126,000 page views, and 18,806 accounts created. Additionally call center received 2,449 calls [Nevada Health Link Twitter, [10/02/13](#)]
 - **New York:** As of Tuesday, The New York Health Insurance Exchange had over 10 million visitors, 9,000 accounts created, and 99 applications. There has not been an update Wednesday. [Democrat and Chronicle, [10/02/13](#)]
- Update: 12,000 Had Filled Out Forms Or Browsed Options.** “With New York State’s exchange doubled its computer capacity from Tuesday to Wednesday, said Donna Frescatore, the executive director, leading to smoother operation of a system that had been overwhelmed on the first day. She said it was not yet clear how many people had visited — or tried to visit — the exchange’s Web site, but that 12,000 had filled out forms or browsed through their options.” [New York Times, [10/3/13](#)]
- **Oregon:** There were over 146,000 visitors to Cover Oregon’s website, and 3,500 calls to its call center, as of 11 am Wednesday. One insurer estimated that the number of applications it had processed was ‘probably still under 100.’ [Life Health Pro, [10/03/2013](#)]

- **Rhode Island:** HealthSourceRI processed 252 applications on Tuesday and fielded nearly 2,200 calls. [WLNE, [10/02/13](#)]
- **Vermont:** As of Tuesday, Vermont Health Connect received about 8,500 unique visitors with about 600 having contacted a call center. [Rutland Herald, [10/02/13](#)]
- **Washington:** The Washington Health Benefit Exchange saw 170,487 page views, 6,199 calls, and 6,385 accounts created. [Seattle Times, [10/02/13](#)]

5. FamMedPAC ENJOYS SUCCESSFUL WEEK AT COD/ASSEMBLY

FamMedPAC had a strong presence during the Congress of Delegates and Scientific Assembly in San Diego last week. The PAC had its usual booth outside the Congress meeting hall and was part of the AAFP Marketplace in the exhibit hall during Scientific Assembly. PAC Board Chair Dr. Randy Wexler and other members of the PAC Board helped staff the booths and spoke with attendees about the PAC. Dr. Wexler was invited to address the Delegates and urged them to support the PAC at the highest level. During the week, the PAC received over \$35,000 in donations. Donations to the PAC stand at \$340,234 for the year.

6. NEW HAMPSHIRE'S MEDICAID COMISSION DELAYS VOTE ON MEDICAID EXPANSION

The commission tasked with studying the Medicaid Expansion options in New Hampshire agreed to delay their decision a bit longer despite rumors that a decision would be made this week. The commission has apparently drawn up a plan to expand the state's Medicaid program while providing several private options to newly eligible residents. This proposal also included expanding the state's Health Insurance Premium Program so that it would pay premiums for employer-provided insurance when available, or give people the option of buying their own coverage in the health insurance marketplace. Included in the plan is what is being referred to as a "kill switch" that would effectively give the state Legislature six months to reauthorize the expanded program before it ended automatically if the federal government decided to stop funding at least ninety percent of the program. The commission's final report and decision is due October 15.



Government Closure & Family Physicians

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Not all federal programs and activities are equally affected by the current government shutdown. Those programs whose funding comes from the annual appropriations process are the ones affected. However, those programs that are funded by user fees (like many FDA programs including the Center for Tobacco Products), dedicated funding sources (like the Medicare Trust Fund) or mandatory funds (like the *Affordable Care Act's* Health Insurance Marketplaces) will continue to operate. Nonetheless, it is important to note that over 50 percent of the federal workforce has been furloughed. Such a steep and sudden reduction in workforce is bound to affect operations eventually. So even though an agency or program is not shut down, staff will be hard pressed to continue providing services at the usual rate. So slowdowns in Medicare payments or in issuing regulations (like the Medicare Physician Fee Schedule), for example, are likely if the shutdown drags on for several weeks.

There are several ways in which family physicians or their patients may be directly affected by the government shutdown.

- *Affordable Care Act* (ACA) Implementation – The funding for most of the major ACA activities are stipulated in the law and are considered mandatory. As a result, the Health Insurance Marketplaces (formerly Health Insurance Exchanges) have opened on schedule; Medicare primary care incentive payments and Medicaid enhanced payments for primary care will proceed; Medicaid expansion and the CMS Innovation Center continue without interruption.
- Agency for Health Care Research and Quality (AHRQ) – If a physician has any interaction with AHRQ, there will be serious challenges during the shutdown. HHS announced that 92 percent of AHRQ staff members have been furloughed.
- Centers for Disease Control and Prevention (CDC) – Since 68 percent of CDC's staff are furloughed, many of the agency's activities are seriously reduced or suspended. The section of the agency that identifies and tracks foodborne illnesses is not staffed; the annual seasonal influenza program is suspended; and the support to states for infectious disease surveillance is halted. CDC will continue to run its AIDS and vaccination programs, since they received dedicated funding.
- Centers for Medicare and Medicaid Services (CMS) (Medicare) – Physicians' claims will continue to be paid as normal (for the time being). However, since 65 percent of the agency's personnel are furloughed, CMS will process applications for new Medicare beneficiaries, but at a much reduced rate, and fewer recertification and initial surveys for Medicare and Medicaid providers will be completed. The CMS Center for Medicare and

Medicaid Innovation receives mandatory funding, so it will continue as normal.
“Meaningful Use” payments should proceed as normal.

- CMS (Medicaid) – States received their regular funding on October 1, so Medicaid programs should not be affected. Of particular concern to family physicians, the ACA’s enhanced Medicaid payment for primary care will not be affected. In addition, if a state has chosen to expand Medicaid eligibility to 133 percent of the Federal Poverty Level, that funding is secure. However, with the large number of administrative staff who are furloughed, CMS may find it challenging to maintain the current pace of day-to-day activities.
- Food and Drug Administration (FDA) – The agency is operating with about 55 percent of its staff. Accordingly, most of the food safety, nutrition and cosmetics activities are suspended for the duration of the shutdown.
- Health Resources and Services Administration (HRSA) – The agency has furloughed 58 percent of its staff. HRSA will not make payments for the Children’s Hospital GME Program or the Vaccine Injury Compensation Claims. Monitoring of grants will be reduced. However, the Community Health Centers and the National Health Service Corps, both of which are supported by mandatory funding, will continue as normal. HHS notes that HRSA also will continue the National Practitioner Databanks.
- Indian Health Service (IHS) – The agency will continue to provide direct clinical care. Only about 6 percent of the IHS staff are furloughed.
- Office of the Inspector General (OIG) – The HHS Inspector General intends to continue to look for fraud, and will operate with 84 percent of the office’s current staff.
- National Institutes of Health (NIH) – Patients in the NIH clinical centers will continue to receive care, but new patients will not be admitted. This means that some 640 trials will not be accepting new patients. The agency will not be able to process grant applications or issue grant awards during the shutdown. Some 73 percent of the NIH staff have been furloughed.
- Patient-Centered Outcomes Research Institute (PCORI) – is funded by a trust fund authorized by the ACA and is unaffected by the government shutdown.
- Veterans’ Health Administration (VHA) - will likely see some impact on the delivery of health care services within military hospitals and clinics. Inpatient, acute and emergency outpatient care in the VHA’s medical and dental facilities will continue, as will private sector care under TRICARE.