

SAMHSA's Weekly Financing News Pulse: National Edition

National News

- HHS Announces End of Annual Benefit Limit Waiver Application Period, Issues Amendment Scaling Back Coverage Denial Rules
- Obama Administration Releases Health Prevention Strategy, Incorporates Mental Wellbeing and Substance Abuse Prevention
- HHS Announces \$500 Million to Reduce Hospital Readmissions and Harm
- House Appropriations Committee Approves Bill Preventing Individual Mandate Enforcement
- Legislators Introduce Bills Expanding Prescription Drug Rebates to Medicaid Dual Eligibles

Studies Released

- CBO Cites Health Spending as Primary Driver of Unsustainable Debt
- RWJF Projects Positive Impact of Health Reform on Small Businesses
- RWJF Finds Declining Prevalence of Employer-Sponsored Health Coverage
- KFF Outlines the Role of Federal Stimulus Funding in State Medicaid Programs
- KFF Explains Parameters of MOE Requirements
- Commonwealth Fund Suggests High-Risk Pools Critical in Preparing for Coverage Expansion

Around the Hill: Hearings on Health Financing

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National News

- **HHS Announces End of Annual Benefit Limit Waiver Application Period, Issues Amendment Scaling Back Coverage Denial Rules:** On June 17, **U.S. Department of Health and Human Services** (HHS) officials announced September 22 as the last day that HHS will accept applications for waivers exempting health plans from the national health care reform law's annual benefit limit requirement. Waivers granted or renewed by September 22 will run through 2013. HHS officials have approved 1,443 waivers to date, affecting coverage for 3.2 million individuals ([Kaiser Health News, 6/20](#); [The New York Times, 6/17](#)). On June 22, HHS issued an amendment scaling back health reform interim final rules governing appeals of denied coverage. Designed to address concerns expressed by **America's Health Insurance Plans** (AHIP), the amendment shortens the period during which beneficiaries may file external appeals, from 120 to 60 days. The amendment also reduces the amount of information that must provide beneficiaries regarding coverage denials and imposes new limits on what types of denials may be appealed. HHS is accepting comments on the amendment for 30 days ([Kaiser Health News, 6/22](#)).
- **Obama Administration Releases Health Prevention Strategy, Incorporates Mental Wellbeing and Substance Abuse Prevention:** Fulfilling a national health care reform law requirement, on June 16, the **National Prevention, Health Promotion, and Public Health Council** released the [National Prevention Strategy](#). The council is comprised of the heads of 17 federal agencies and chaired by the **U.S. Surgeon General**. The comprehensive health strategy aims to build healthy and safe community environments, expand quality preventive services in clinical and community settings, empower individuals to make healthy choices, and eliminate health disparities. Preventing drug and alcohol abuse and promoting mental and emotional wellbeing are among the plan's seven priority areas ([HealthCare.gov](#); [HHS, 6/16](#); [Kaiser Health News, 6/17](#)).
- **HHS Announces \$500 Million to Reduce Hospital Readmissions and Harm:** On June 22, **U.S. Department of Health and Human Services** (HHS) officials announced the availability of \$500 million in contracts under the Partnership for Patients program, which is designed to reduce hospital readmissions and harm in hospital settings. Funded by health reform, under the program, the **Centers for Medicare & Medicaid Services** (CMS) will award contracts to hospitals, health care provider organizations, and related entities. Projects funded under the program must contribute to its three-year goal of reducing hospital admissions by 20 percent and harm in hospital settings by 40 percent. Participating organizations will conduct provider training and technical assistance, offer programs that foster safer care, and establish and implement performance measurement systems to assess progress toward quality improvement goals ([HHS, 6/22](#); [Healthcare IT News, 6/23](#)).
- **House Appropriations Committee Approves Bill Preventing Individual Mandate Enforcement:** On June 23, the **U.S. House Appropriations Committee** approved a \$19.9 billion FY2012 financial services spending plan that would prevent the enforcement of the national health care reform law's individual insurance mandate. Although the measure does not take effect until 2014, legislators say barring enforcement in advance could prevent the hiring and training of **Internal Revenue Service** (IRS) staff to enforce the measure. The bill now goes before the full House ([The Hill, 6/16](#); [Kaiser Health News, 6/17](#)).
- **Legislators Introduce Bills Expanding Prescription Drug Rebates to Medicaid Dual Eligibles:** On June 15, Congressional Democrats introduced legislation (**H.R. 2190** and **S. 1206**) to expand the applicability of Medicaid prescription drug rebates to include individuals dually eligible for Medicaid and

Medicare. Designed to foster savings in Medicare, the bills would require drug manufacturers to offer rebates to dual eligibles that are currently only available for drugs provided to beneficiaries enrolled only in Medicaid. Legislators supportive of the measure say it could save Medicare \$100 billion. The bills now go before the **U.S. Senate Finance Committee** and the **U.S. House Committees on Ways and Means, Energy and Commerce, and Education and Workforce** ([The Hill, 6/16](#); [Kaiser Health News, 6/17](#)).

Studies Released

- **CBO Cites Health Spending as Primary Driver of Unsustainable Debt:** On June 22, the **Congressional Budget Office** (CBO) released a long-term [budgetary outlook](#) asserting that health costs are a primary driver of the unsustainable debt that will become larger than the U.S. economy in 2021. The report also estimates that the national debt will reach nearly 200 percent of the Gross Domestic Product (GDP) within 25 years. The CBO attributes 80 percent of that growth to health spending, primarily under Medicaid and Medicare, with spending obligations for subsidies under the national health care reform law also a smaller factor ([Kaiser Health News, 6/23](#); [The Washington Post, 6/22](#)).
- **RWJF Projects Positive Impact of Health Reform on Small Businesses:** On June 21, the **Robert Wood Johnson Foundation** (RWJF) released a [brief](#) projecting that, had health reform been fully implemented, the rate of employers with less than 100 employees offering health coverage would have increased from 43.4 percent to 47.6 percent in 2010. In addition, the brief estimates that the offer rate of businesses with fewer than 10 employees would have risen 14.2 percent. As implementation of health reform progresses the authors project that overall rates of employer-sponsored coverage at firms with fewer than 50 employees will increase modestly ([RWJF, 6/21](#); [Kaiser Health News, 6/22](#)).
- **RWJF Finds Declining Prevalence of Employer-Sponsored Health Coverage:** On June 21, **RWJF** released a state-by-state [analysis](#) finding that the percentage of Americans with employer-sponsored health coverage declined from 69 percent to 61 percent from 1999/2000 to 2008/2009. Prepared by the **University of Minnesota's State Health Access Data Assistance Center**, the brief found significant variance among states in the prevalence, availability, and cost of employer-sponsored coverage. As implementation of the national health care reform law advances, the authors suggest that policymakers analyze its effects on employer-sponsored coverage at the state level, particularly dependent coverage ([RWJF, 6/21](#); [Kaiser Health News, 6/22](#)).
- **KFF Outlines the Role of Federal Stimulus Funding in State Medicaid Programs:** On June 22, the **Kaiser Family Foundation** (KFF) released a [fact sheet](#) outlining the role of **American Recovery and Reinvestment Act** (ARRA) Federal Medical Assistance Percentage (FMAP) funding in financing states' Medicaid programs and examining the implications of the expiration of that funding. The brief notes that the funding helped address Medicaid shortfalls during the economic recession, but projects that states will face difficult fiscal choices as that funding expires June 30 and their share of Medicaid financing increases. The authors note that the expansion of Medicaid caseloads that occurred because of rising unemployment are a particular source of difficulty ([KFF, 6/22](#)).
- **KFF Explains Parameters of MOE Requirements:** On June 22, **KFF** released a [fact sheet](#) explaining the Medicaid and Children's Health Insurance Program (CHIP) maintenance of effort (MOE) requirements under the national health care reform law, noting that MOE requirements are designed to keep coverage stable until the 2014 expansion. The brief offers guidance for state policymakers on

meeting obligations under the MOE requirements. In addition, the authors explain that states facing a budget deficit may reduce eligibility for non-disabled adults earning over 133 percent of the federal poverty level (FPL) ([KFF, 6/22](#)).

- **Commonwealth Fund Suggests High-Risk Pools Critical in Preparing for Coverage Expansion:** On June 14, the **Commonwealth Fund** released a [brief](#) reviewing the national health care reform law's Pre-Existing Condition Insurance Pool (PCIP) program. The authors examine high-risk pool enrollment trends, early changes to plan structures and premiums, and out-of-pocket (OOP) cost estimates based on plan type and service utilization. The authors acknowledge barriers to enrollment, including affordability and beneficiaries' burden of proof to demonstrate that they have been uninsured for at least six months. However, the brief argues that the pools are an important transitional program, playing a pivotal role in ensuring coverage until health reform's exchanges become operational in 2014 ([The Commonwealth Fund, 6/14](#); [Kaiser Health News, 6/17](#)).

Around the Hill: Hearings on Health Financing

House Energy and Commerce Subcommittee on Health: *Impact of IPAB on Medicare*

July 13, 9:00 a.m. 2123 Rayburn

House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies:

Fiscal 2012 Appropriations: Labor, HHS, Education

July 26, Time TBA. 2358-C Rayburn

House Appropriations Committee: *Fiscal 2012 Appropriations: Labor, HHS, Education*

August 2, Time TBA. 2359 Rayburn

House Energy and Commerce Committee: *Medicare/Medicaid Dual Eligibles*

June 21, 2:00 p.m. 2322 Rayburn

House Energy and Commerce Subcommittee on Oversight and Investigations: *Medicare Secondary Payer Regime*

June 22, 10:00 a.m. 2322 Rayburn

Senate Finance Committee: *Healthcare Programs and the Deficit*

June 23, 10:00 a.m. 215 Dirksen