

Health Insurance Exchanges

- A group of human resources professionals representing large employers sent a **letter to Secretary Sebelius on January 31 asking her to publish all of the exchange regulations no later than July 1, 2012**. The HR Policy Association wrote that "it is critical that HHS provide final rules on the establishment, operation, and reporting requirements regarding exchanges by July 1, 2012, so that employers have enough time to implement the necessary system changes to meet all of their exchange-related notice and reporting requirements."
 - o HR Policy Association letter: http://www.hrpolicy.org/downloads/2012/12-05_Letter_to_HHS_on_Exchanges.pdf

Value-Based Purchasing

- A growing number of **hospitals are seeking to attract new patients and keep existing ones by offering them an array of perks**, from free parking and gift-shop discounts to wellness seminars and health screenings. It's all part of a changing competitive environment in which hospitals market themselves directly to patients, who have begun to take a much more active role in choosing their health-care providers -- and are on the hook for a greater share of the costs. Changes in health-care policies are giving hospitals added incentive to develop relationships with patients. Under the 2010 health-care overhaul, hospitals with higher than expected 30-day readmission rates for heart attack, heart failure and pneumonia will face financial penalties starting this year. The number of conditions subject to penalty will be expanded in subsequent years, and hospitals can help themselves by working with patients before they land in the hospital with an acute problem.

<http://www.kaiserhealthnews.org/Features/Insuring-Your-Health/2012/Michelle-Andrews-on-hospital-patient-perks.aspx>
- **Aetna announced Monday that it will launch a patient-centered medical home program** in Connecticut and New Jersey to reward primary care physicians who more actively coordinate and manage their patients' care. Doctors who meet certain requirements will be eligible to get a quarterly care coordination payment for each Aetna patient they treat, although Aetna Medicare patients are not included. The program is intended to be used across the country but is beginning in two states.

<http://www.ctmirror.org/node/15228>

Employer-Sponsored Coverage

- A New York Times Op-Ed piece boldly predicts that by 2020, the American health insurance industry will be extinct. **Insurance companies will be replaced by Accountable Care Organizations (ACOs)** — groups of doctors, hospitals and other health care providers who come together to provide the full range of medical care for patients.

<http://opinionator.blogs.nytimes.com/2012/01/30/the-end-of-health-insurance-companies/?scp=3&sq=health%20insurance&st=cse>

- A new Kaiser Family Foundation **fact sheet summarizes key provisions in the Affordable Care Act that may affect small businesses and their employees**. The fact sheet explains the law's small business tax credits and the Small Business Health Options Program exchanges to be established in each state by 2014, both of which are designed to make it easier for small businesses to purchase insurance for their workers. The fact sheet also describes the penalties employers who employ more than 50 full-time workers would face if they do not offer affordable coverage starting in 2014; smaller employers are exempt from that requirement and would not face any penalties.

<http://www.kff.org/healthreform/upload/8275.pdf>

- A Rhode Island judge ruled Monday that Providence **police and fire retirees may keep their existing health care coverage for now rather than be forced onto Medicare**. A Superior Court Judge ruled that the city may not break a contract provision that promised them lifetime health coverage. Fire and police retirees sued last year after the city won approval to move its retirees from Blue Cross to Medicare when they turn 65. The retirees asked the judge to stop the city from implementing the change, and the judge issued a preliminary injunction.

<http://www2.turnto10.com/news/2012/jan/30/judge-sides-retirees-medicare-suit-ar-915364/>

Data and Health IT

- It's been three years since Congress passed the HITECH Act, which approved a **nearly \$30 billion plan to digitize health care records, yet much of the health care industry is still drowning in paper**. The Bipartisan Policy Center released a 43-page report detailing the gaps in health IT implementation—the biggest concern being a delay in getting the various systems to be able to talk to one another – what systems people refer to as “interoperability.”
 - o Story: <http://capsules.kaiserhealthnews.org/index.php/2012/01/bipartisan-report-highlight-gaps-recommendations-for-health-it/>
 - o Report: <http://www.bipartisanpolicy.org/sites/default/files/BPC%20Health%20IT%20report%20Jan%202012.pdf>
- Recognizing a need for innovation, the **federal government has made some of its raw data available on www.healthdata.gov**, a central database where developers can get information for

Web sites and apps. So far, the database includes everything from food safety recalls to fatality statistics, but the challenge remains the dearth of comparable information.

http://www.washingtonpost.com/business/economy/2012/01/24/gIOAjV2yZQ_story.html

- The **Dartmouth Atlas Project** announced **two projects to analyze geographic differences in healthcare for patients insured by Medicaid and commercial insurance**. Researchers plan to use Medicaid and commercial insurance data to study children's healthcare variation in three Northeastern states. Dartmouth Atlas will also analyze Blue Cross and Blue Shield member claims for joint arthroplasty and knee arthroscopy using data provided by Blue Health Intelligence.

<http://www.modernhealthcare.com/article/20120130/NEWS/301309965/dartmouth-atlas-plans-new-studies-data-sources>

Other Federal Activity

- **The Obama administration on Friday, in a brief filed with the U.S. Supreme Court, resisted arguments that the entire health care law should be struck down if its individual mandate is found unconstitutional.** If the requirement that all Americans should have insurance is found unconstitutional, the only other sections of the law that also should be struck are those dealing with guaranteed issue and community rating, the brief says. Otherwise, "bizarre results" would occur, it says, such as the end of an extension of a pre-existing Medicare payment provision involving air ambulance services, more rigorous enforcement of drug pricing regulations, reauthorization of immunization programs and more.

<http://www.cq.com/doc/hbnews-4017735>

- On January 27, **the American Benefits Council filed an amicus brief with the U.S. Supreme Court, arguing that if the Court rules that the individual mandate in the ACA is unconstitutional, then the 'shared responsibility' provision of the law requiring employers to offer health coverage that satisfies the individual mandate should also be struck down.** The Council's brief does not take any position on the question of the constitutionality of the individual mandate. Rather, the Council argues that if the Court determines that the individual mandate is unconstitutional, then the employer responsibility provisions must also be invalidated. As discussed in the brief, the text and structure of the law makes clear that Congress intended the individual mandate and employer responsibility provisions to operate together, as one comprehensive scheme of shared responsibility between employees and employers.

- o Brief: http://americanbenefitscouncil.com/documents2012/hcr_scotus_council-brief.pdf

- On Thursday, January 26, **CMS held a Care Innovations Summit** in Washington DC, with over 1,000 in attendance. Its leaders say there are plenty of real world examples in local

communities around the country of how higher quality lowers costs. They say scaling them up nationally would begin to bend down the upward curve in health care spending. Now Berwick's successor, acting CMS Administrator Marilyn Tavenner, is aiming to fan the flames of such innovative thinking. "Together we are creating a community of innovators, a chance for independent thinkers to meet and hear from others like them," Tavenner said in launching the Summit. The Summit was held on the same day CMS released a progress report summarizing the first year of the Innovation Center.

- Story: <http://www.cq.com/doc/hbnews-4017140>
 - CMS Innovation Center report: http://innovations.cms.gov/documents/pdf/CMMIreport_508.pdf
- House Budget Committee Chairman Paul Ryan (R-Wis.) said that he won't back down from **budget proposals to at least partially privatize the Medicare program**. Ryan has said he hasn't started writing his budget yet, but it's widely expected to include the Medicare proposal he crafted with Sen. Ron Wyden (D-Ore.). The Ryan-Wyden plan, unlike Ryan's earlier proposal, would leave the traditional Medicare program intact while also giving seniors the option to buy private insurance.

<http://thehill.com/blogs/healthwatch/medicare/207431-democrats-launch-early-offensive-over-gop-medicare-plans>