

POLITICO

Red states block abortion coverage in exchanges - Report: States not ready for ACA reforms - White House rejects Medicaid cuts - CMS: Basic Health on hold

By: Jason Millman – February 1, 2013

THE NEXT WAY TO PROMOTE OBAMACARE: With millions of dollars of secret corporate and union cash, several former White House staffers are harnessing grass-roots and micro-targeting campaign tactics to some of the biggest names in the health care industry. Only instead of getting people to turn out to vote, they're trying to get them to buy insurance. It's all part of the effort to Enroll America — to get people to sign on in the exchanges even though after three years numerous polls show that people still don't know what's in the law, or how it could benefit them. The POLITICO Pro story: <http://politico.pro/U5Oofg>

RED STATES RESTRICTING ABORTION COVERAGE IN EXCHANGES —

Conservative states may have lost their best chance to get rid of Obamacare, but they're winning the battle on another front: abortion coverage. States were explicitly given the authority to restrict abortion coverage in the health care law — it was a key provision that helped deliver enough votes to pass the ACA. Now, even some state legislatures turning their backs on exchanges are still passing legislation blocking abortion coverage in the new insurance markets. At least 20 states now ban or restrict the coverage of abortion procedures in exchanges, and some go even further to restrict it in all private insurance plans, too. The POLITICO story: <http://politi.co/VyJwzV>

Happy Friday, and welcome to PULSE, where we're ready to predict February's word of the month: sequestration. It's now just one month away.

“February PULSE, floating in the dark”

TODAY ON POLITICO PRO:

--REPORT: MOST STATES NOT READY FOR ACA — More than two-thirds of states aren't ready for the ACA's insurance market reforms taking effect next year, which means those states risk letting the feds intervene if they're still not ready to enforce the law. Just 11 states and D.C. have taken proper action, according to a new Commonwealth Fund report.<http://politico.pro/U6Sjso>

--AHRQ DIRECTOR STEPPING DOWN — After serving 10 years as director, Dr. Carolyn Clancy will leave the Agency for Healthcare Research and Quality. <http://politico.pro/XoOafD>

--SFC TARGETS WASTE, FRAUD AND ABUSE — A bipartisan group of senators on the Finance Committee yesterday released a report outlining proposals on targeting Medicare waste, fraud and abuse after receiving suggestions from more than 160 health care stakeholders.<http://politico.pro/WVLLto>

W.H. ADVISER: NO MORE MEDICAID CUTS — One of President Barack Obama's top economic advisers addressed health care advocates yesterday, but his message was really targeted at states weighing the Medicaid expansion. That message: Obama won't support Medicaid cuts for the rest of his presidency. "Other than the most minimal, smart, efficiency type of measure, Medicaid savings, Medicaid cuts for this president, for this administration are not on the table," said Gene Sperling, director of the National Economic Council, at the Families USA conference in Washington yesterday. So, states should go ahead and expand, he said, "with the understanding that the rug will not be pulled out from underneath them." Still, Sperling admitted that's going to put more pressure on the administration to come up with Medicare savings. The Pro story: <http://politico.pro/WB3Jmz>

--ADVOCATES ARE STOKED — Both the National Association of Public Hospitals and Health Systems and Planned Parenthood put out statements yesterday cheering Sperling's Medicaid comments. "This is welcome news for the millions of people who rely on the safety net for essential health care services, for their communities and for the hospitals and health systems committed to their care," NAPH President and CEO Bruce Siegel said in a statement.

WAITING ON BASIC HEALTH? KEEP WAITING — CMS's Cindy Mann on Thursday put a damper on any hopes of states setting up a Basic Health Plan before 2014. Responding to a question about the plan's regulations (or lack thereof) at the Families USA conference, Mann said: "We have prioritized other areas of the law, and as you all know there aren't Basic Health Plans rules and regulations out yet. What we have been doing, particularly with some of the states that have been thinking about or most interested in potentially using the Basic Health Plan, is to think about some other

opportunities they might have to address the issues that they were looking to the Basic Health Plan to deal with,” such as continuity of coverage.

**** A message from POWERJOBS:** Work in health care? **POWERJOBS.com** is a new career site featuring top positions from leading companies, including AHIP and AARP. New health care jobs are being added daily. Start your search, **click here**.

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BUNDLED PAYMENT DEMO IS UNDERWAY – CMS announced yesterday that 32 awardees from 10 New Jersey health care organizations would start testing bundled payments for acute care hospital stays by April. They’re participating in Model 1 of the Bundled Payments for Care Improvement initiative. CMS also announced that it had selected 100 participants to work with 400 health care organizations for Models 2-4 that would begin receiving data from CMS on care patterns and consulting with the agency on care improvement. They would begin participating in bundled payments for different episodes of care as early as July. Last fall, CMS had said that it was holding off on Model 1 because the program had drawn less interest than hoped. No longer. The announcement: <http://1.usa.gov/Wdf6tZ>. Pro’s earlier story on the Model 1 concerns, ICYMI: <http://politico.pro/Soeuae>

SCOTT’S BUDGET DOESN’T ANSWER MEDICAID QUESTION – Florida Gov. Rick Scott gave his major budget speech yesterday, but he punted on one of the biggest budget questions facing the state – whether to expand Medicaid. “Today is not the day for that decision,” Scott said, explaining that he’s waiting on HHS to respond to two Medicaid waiver requests. “Their action on these two waivers will affect our current Medicaid program and play an important role in how we move forward.”

N.C. GOVERNOR: NO RUSH ON EXPANSION – North Carolina Gov. Pat McCrory isn’t offering his opinion on the ACA’s Medicaid expansion, even as the state Senate is making quick work of a bill to block it in the state, The Associated Press reports. But it also doesn’t sound like the new Republican governor is in a rush to expand. He says a new report from the state auditor identifies structural problems in the Medicaid program that should be addressed before the state can consider expansion. The AP story: <http://bit.ly/VroPvg>

SENATE DEMS TAKE AIM AT BIG TOBACCO – Some companies have been repackaging roll-your-own cigarette products as pipe tobacco to take advantage of a twist in the tax law that favors certain non-cigarette tobacco products. Yesterday, Sens. Dick Durbin, Frank Lautenberg and Richard Blumenthal introduced the Tobacco Tax Equity Act, which would make sure those products were taxed as heavily as cigarettes so companies would not be able to provide cheaper products, particularly to kids. In

addition to the public health concern, the bill has another thing going for it. It's a moneymaker, to the tune of \$3.6 billion over 10 years, according to the Joint Committee on Taxation. Durbin's release: <http://1.usa.gov/UH56zv>

...AND SOME BIG-LEAGUE HEALTH GROUPS CHEER – The American Cancer Society Cancer Action Network, the Campaign for Tobacco-Free Kids, the American Lung Association, American Heart Association and American Public Health Association are thrilled to see the bill back on the floor after Durbin sponsored it in the last Congress. “Our organizations strongly support the legislation introduced today by U.S. Sen. Richard Durbin (D-Ill.) to close loopholes in federal tobacco tax rates that have harmed public health by encouraging use of lower-taxed tobacco products and cost governments more than \$1 billion in revenue since 2009,” the groups said in a statement. Their release, which has the back story on the issue: <http://bit.ly/XpagyE>

SMALL BIZ CHAIR: EMPLOYER MANDATE ALL SORTS OF CONFUSING – Just trying to understand their ACA requirements “could become a full-time job” for small business owners, writes House Small Business Committee Chairman Sam Graves about recent regulations implementing the employer mandate. The Missouri Republican says the Jan. 2 IRS proposed rule explaining which employers could be penalized for not providing minimum coverage is “overly broad and confusing.” His letter: <http://1.usa.gov/WBdukD>

HAPPENING TODAY – Conferences hosted by the National Academy of Social Insurance and Families USA continue. NASI's agenda: <http://bit.ly/Tx7iJB>. Families' agenda: <http://bit.ly/111bkOH> ... Former Rep. Patrick Kennedy, actor Bradley Cooper and others hold a press briefing on mental health at the Center for American Progress.

PULSE LYRICS:

Monday: Tom Petty and the Heartbreakers, “Runnin’ Down A Dream”

Tuesday: Alabama Shakes, “Hold On”

Wednesday: The Beatles, “Here Comes The Sun”

Thursday: Simon and Garfunkel, “Cecilia”

Friday: Foo Fighters, “February Stars”

WHAT WE'RE READING, by Joanne Kenen

With many states considering their own labeling rules, there's movement stirring toward nationally uniform rules on genetically engineered foods. The N.Y. Times reports: <http://nyti.ms/XML9Ee>

Questions arise about the fairness of rushed fixes to the mental health system after Newtown. The N.Y. Times article: <http://nyti.ms/WiOMpB>

Cato's Michael Cannon says Arizona Gov. Jan Brewer should join the Oklahoma lawsuit against federal exchanges rather than expand Medicaid to deal with some exchange coverage quirks. His post: <http://bit.ly/VycXIA>

Health Affairs has a new issue brief out focusing on the federally facilitated exchanges: <http://bit.ly/WDMsWB>

Virginia's Lt. Gov. Bill Bolling — considering an independent bid for governor — backs expanding Medicaid, setting himself apart from Gov. Bob McDonnell and aspiring governor Ken Cuccinelli. The Washington Post story: <http://wapo.st/WEIz3O>

Stanford's Daniel Kessler in a Wall Street Journal op-ed says that Obamacare has broken all of its promises about cost savings and economic benefits. His column: <http://on.wsj.com/11mGWP4>

And — the latest fitness craze: high heeled workouts, aka "Heel Hop." Really, The Wall Street Journal says so: <http://on.wsj.com/YngFvi>