



## **Committees Address Health Issues While Deficit Talks Face Deadline**

*AHIP, Washington Update, 11/11/2011*

Several congressional committees will focus on health policy issues next week, at the same time members of the Joint Select Committee on Deficit Reduction continue to work toward their goal of recommending at least \$1.2 trillion in deficit reduction by a November 23 deadline.

On November 15, the House Energy and Commerce Subcommittee on Health will meet to mark up legislation, H.R.1173, to repeal the Community Living Assistance Services and Supports (CLASS) Act. Two other committees will hold health-focused hearings that same day:

- The House Ways and Means Subcommittee on Oversight will hold a hearing on “The Small Business Health Insurance Tax Credit Created by the Affordable Care Act.”
- The Senate HELP Committee will hold a hearing on “Medical Devices: Protecting Patients and Promoting Innovation.”

Meanwhile, as the November 23 deadline draws closer for the Joint Select Committee on Deficit Reduction, members of the committee are beginning to speak out publicly about the policies they are advocating and the issues that divide them. The primary obstacle to an agreement continues to be revenue. Rep. Jeb Hensarling (R-TX), the committee’s Republican co-chair, indicated at the beginning of this week that he could accept new revenues by eliminating certain tax deductions as part of a broader agreement to permanently extend the 2001 and 2003 tax cuts. Sen. Patrick Toomey (R-PA), a Republican member of the committee, suggested a similar approach.

Democrats have rejected these suggestions, calling instead for a package that balances spending cuts with an equal amount of new revenues. A document circulating on Capitol Hill shows that Democratic members of the Joint Select Committee are proposing a \$2.3 trillion package that includes \$1 trillion in spending cuts (including \$400 billion from Medicare and Medicaid) and \$1 trillion in new revenue, with an additional \$300 billion in deficit reduction coming from lower debt costs.



As of this writing, both Democratic and Republican members of the Joint Select Committee are continuing to express hope that an agreement can be reached, while also acknowledging that they are running out of time. The possibility of an across-the-board sequestration – which would apply to defense spending as well as most non-defense programs – is viewed as highly problematic by members of both parties. Even though the public comments by committee members demonstrate that they are deeply divided, there is strong bipartisan interest in avoiding a sequestration – meaning that Democrats and Republicans are likely to intensify their efforts to reach a deficit reduction agreement in the next 13 days.

### **Senate Hearing Highlights Importance of Delivery System Reform**

On November 10, the Senate HELP Committee held a hearing to examine the role of delivery system reform in improving quality and lowering costs.

The hearing was chaired by Sen. Sheldon Whitehouse (D-RI) who, in addition to discussing provisions of the Affordable Care Act (ACA), pointed out that physicians, hospitals, employers, and insurers are working in the private sector to advance improvements in the health care delivery system.

AHIP submitted a statement for the official record of this hearing, focusing on the following areas: (1) the new health care landscape and its influence on emerging models of care; (2) health plan leadership in delivery system reform; and (3) how we can learn from these private sector efforts to maximize the opportunity for improving quality and value system-wide. In addition, AHIP reached out to committee members and their staff before the hearing to share information on health plan initiatives addressing delivery system reform in each of their states.

The hearing featured testimony from Jonathan Blum, CMS Deputy Administrator and Director of the Center for Medicare. In his opening remarks, Blum told the committee that the ACA is providing opportunities for CMS to work with both the public and private sectors to improve the nation's health care delivery system. Blum focused on efforts to achieve delivery system reform through accountable care organizations (ACOs), the hospital value-based purchasing program, the quality star rating system for Medicare Advantage, and the policy agenda of the new CMS Center for Innovation.

Another witness, Rhode Island Insurance Commissioner Chris Koller, outlined delivery system reforms in his state that increased payments to primary care



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physicians, promoted medical homes for high-risk patients, and addressed the high cost of care in highly concentrated hospital markets.

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