



## **Budget Debates Enter Crucial Phase as April 8 Deadline Looms**

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The legislative agenda for next week will focus intensely on budget issues, as congressional leaders look to finalize the appropriations process for fiscal year 2011 and House and Senate committees move closer to action on a budget resolution for fiscal year 2012.

On April 8, temporary funding for federal programs and agencies will expire under a continuing resolution that President Obama signed into law on March 18. House and Senate leaders have been engaged in negotiations on appropriations levels for the remainder of FY 2011, but there is considerable uncertainty at this time about whether legislation will be enacted by April 8 to avoid a government shutdown. These negotiations have been complicated not only by the challenge of reaching a consensus on funding levels, but also by efforts to defund the Affordable Care Act (ACA) through the appropriations process.

On another front, House Budget Committee Chairman Paul Ryan (R-WI) is planning to announce a draft budget resolution on Tuesday that is expected to propose steps for controlling the growth of entitlement spending, with significant implications for the Medicare and Medicaid programs. A committee markup and House floor action on this budget resolution are expected before the Easter recess. The Senate Budget Committee also is preparing for action on its budget resolution.

## **House Subcommittee Focuses on PCIP Program**

The House Energy and Commerce Subcommittee on Oversight and Investigations held a hearing today on the Pre-Existing Condition Insurance Plan (PCIP) program. This temporary program, established by the Affordable Care Act (ACA), makes coverage available to uninsured individuals with pre-existing medical conditions until the health insurance exchanges are established in January 2014.

The sole witness at this hearing was Steve Larsen, Deputy Administrator of CMS and Director of the Center for Consumer Information and Insurance Oversight (CCIO). Larsen testified that a total of 12,437 individuals were enrolled in PCIPs as of February 1, 2011. This includes 8,762 people enrolled in state-run PCIPs in 27 states and 3,675 enrolled in federally-administered PCIPs in 23 states and the



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District of Columbia. Larsen indicated that these numbers reflect a 50 percent enrollment increase between November and February, and that he expects enrollment to continue to grow. He told the subcommittee that PCIP spending has totaled less than \$100 million to date, including both administrative costs and the amount spent on claims that exceed the premiums collected from enrollees. The ACA appropriated \$5 billion to support the program.

Subcommittee Chairman Cliff Stearns (R-FL) expressed concern that the PCIP program has failed to achieve its promise, noting that current enrollment is less than five percent of the 375,000 enrollment level that was projected by the CMS Chief Actuary. Democratic subcommittee members focused on specific examples of individuals who have benefited from the program, and emphasized the program's role as a "bridge" to the major health reforms that take effect in 2014.

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