



Discussions Intensify on Extenders Package; Other Health Issues Still Simmering

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During a week in which financial regulatory reform was the most visible issue in Congress, lawmakers have been engaged in behind-the-scenes discussions over an extenders bill that will prevent certain provisions of current law from expiring. Several key health priorities will be addressed by this package, and a number of health issues also are being raised in other settings.

Extenders Debate

The extenders package is shaping up to be a major bill, with some lawmakers suggesting that its total cost potentially could exceed \$200 billion. A Medicare physician payment “fix” is likely to account for a large portion of this price tag, especially if Congress proceeds with a five-year fix. Unless Congress addresses this issue, a significant reduction in Medicare physician reimbursement rates is scheduled to take effect on June 1.

Other health provisions of the extenders package are likely to provide for extensions of premium assistance for unemployed workers who are eligible for COBRA continuation coverage or state continuation coverage, and the enhanced Medicaid FMAP that was enacted last year as part of the economic recovery legislation. Once the details of the package are agreed to, it appears that the House will vote first, possibly next week. Congressional leaders are aiming to finalize the extenders bill before the Memorial Day recess.

McCarran-Ferguson Amendment

An amendment by Sen. Patrick Leahy (D-VT) addressing the McCarran-Ferguson Act is currently one of several amendments pending in the Senate floor debate on S. 3217, the “Restoring American Financial Stability Act.” The Leahy amendment is identical to legislation, H.R. 4626, that the House approved in February that would repeal the McCarran-Ferguson Act’s antitrust exemption as it relates to health insurers. Senate leaders are hoping to complete action on the financial regulatory reform bill early next week.

Federal Rate Review

Sen. Dianne Feinstein (D-CA) and Rep. Janice Schakowsky (D-IL) held a press call with reporters on Thursday to reaffirm their commitment to advancing



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legislation for a federal rate review process. Feinstein said that she no longer plans to offer the proposal during the financial regulatory reform debate, and she suggested instead that it might be attached to the extenders package.

CBO Examines Discretionary Spending Authorized by PPACA

The Congressional Budget Office (CBO) addressed a letter this week to Rep. Jerry Lewis (R-CA), ranking Republican member of the House Appropriations Committee, providing updated information on potential discretionary spending authorized by the "Patient Protection and Affordable Care Act" (PPACA).

The letter includes a table identifying dozens of programs and activities for which PPACA authorizes federal funding, but which will not actually receive funding until Congress approves future appropriations bills. The funding for these programs totals \$105.6 billion over 2010-2019, according to CBO. The letter also lists numerous programs and activities for which PPACA authorizes "such sums as may be necessary" – meaning that Congress has discretion to appropriate any level of funds to such programs (within the caps that apply to the overall appropriations process).

CBO also estimates that:

- The Internal Revenue Service (IRS) will incur costs of between \$5 billion and \$10 billion over ten years while implementing the eligibility determination, documentation, and verification processes for the premium credits and cost-sharing credits established by PPACA.
- The Department of Health and Human Services (HHS) and the Office of Personnel Management (OPM) will incur costs of at least \$5 billion to \$10 billion over ten years while implementing changes to Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), and reforms to the private health insurance market.

Incumbents Face Primary Challenges as 2010 Election Season Heats Up



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Following a week in which two prominent incumbents were rejected by their own parties, additional lawmakers will be facing voters as several primary contests are decided in the coming weeks.

On May 18, primaries in Pennsylvania and Arkansas will determine whether Sens. Arlen Specter (D-PA) and Blanche Lincoln (D-AR) receive their party's nomination to be listed on the general election ballot in November. Both Specter, a five-term senator, and Lincoln, a two-term senator, face formidable challengers in an election cycle where a strong anti-incumbent mood is prevalent in many states and congressional districts across the nation. The potential vulnerability of long-time incumbents was demonstrated twice in recent days: first, when Sen. Robert Bennett (R-UT) finished third in the balloting at the Utah Republican Convention on May 8, and again on May 11 when Rep. Alan Mollohan (D-WV) was defeated in the Democratic primary in West Virginia, ending his bid for a fifteenth term in the House.

Additional primaries will be held in Kentucky and Oregon on May 18, in Idaho on May 25, in Alabama, Mississippi, in New Mexico on June 1, and in ten other states on June 8. With more than 40 House members and 11 senators retiring this year, a large number of open seats are being fiercely contested in many of these states. One of the most closely watched open seat races is in Kentucky, where candidate Trey Grayson (R-KY) has been endorsed by Senate Republican Leader Mitch McConnell (R-KY) and candidate Rand Paul (R-KY) has been endorsed by retiring Sen. Jim Bunning (R-KY).

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