For the Week Beginning January 6, 2014

NOTEWORTHY

2014 State Legislatures
Convening this week:

- **CA**: January 6 - August 31
- **CO**: January 8 - May 7
- **KY**: January 7 - April 19
- **MO**: January 8 - May 30
- **MS**: January 7 - April 6
- **NH**: January 8 - July 1
- **VA**: January 8 - March 9

Inside this issue

- **Unemployment Benefit Target Sequestration for Pay-for**
- **CMS Releases Proposed Emergency Preparedness Conditions of Participation**
- **IOM Issues Proposed Model to Help Providers Assess EHR Value**
- **Connect for Health Colorado and Medicaid Enrollment Exceeds 138,000**
- **Florida: Upcoming Republican Primary**
- **Idaho: State of the State Address Makes Clear Priorities**
- **Kentucky: kynect surpasses 100,000 and enrolls 116,000 in Health Insurance.**

FEDERAL

Unemployment Benefit Target Sequestration for Pay-for

Senate discussions to provide emergency unemployment insurance continued this week with Democratic leaders saying at one point on Thursday that they were on the brink of a deal. However, Republicans and Democrats now appear to be at an impasse over how long to extend the benefits and how to pay for the continuation. Senate Majority Leader Harry Reid (D-Nev.) further stoked the GOP's anger by preventing Republicans from proposing amendments to legislation reviving unemployment benefits. In order to consider providing long-term unemployment benefits there must be a payment offset to which the GOP has suggested the elimination of health insurance coverage mandates or tie employment creation incentives to a mandate repeal. This failed, but was countered by Sen. Reid, who suggested a one-year extension - to 2024 - of the automatic mandatory spending adjustments that applies a 2 percent payment cut to Medicare providers, also known as Sequestration. The long-term sequestration cuts were extended late last year as an offset for a budget agreement that halted...
immediate sequestration cuts that applies to discretionary spending such as medical research and health agency funding. But Republicans aren't supporting the offsets to pay for a one-year extension of unemployment benefits by imposing the sequester-like budget cuts for another year.

The Senate won't hold any more votes until Monday evening, leaving aides and lawmakers unable to predict the next steps for legislation both parties agree is important.

CMS Releases Proposed Emergency Preparedness Conditions of Participation

The Centers for Medicare & Medicaid Services (CMS) on December 20 released a proposed rule that would establish emergency preparedness Conditions of Participation (CoP) and Conditions for Coverage (CfC) that hospitals, critical access hospitals, and 15 other provider and supplier types would have to meet to participate in the Medicare and Medicaid programs.

CMS consulted with experts in emergency response and health care facilities and identified four areas that the agency believes are central to an effective emergency preparedness system. The proposed rule would require participating providers and suppliers to meet these four standards, although the specific proposed requirements are adjusted to reflect the characteristics of each type of provider and supplier:

1. Emergency plan: Based on a risk assessment, develop an emergency plan using an all-hazards approach focusing on capacities and capabilities.
2. Policies and procedures: Develop and implement policies and procedures based on the plan and risk assessment.
3. Communication plan: Develop and maintain a communication plan that complies with both federal and state law. Patient care must be well-coordinated within the facility, across health care providers and with state and local public health departments and emergency systems.
4. Training and testing program: Develop and maintain training and testing programs, including initial and annual trainings, conducting drills and exercises or participating in an actual incident that tests the plan.

The proposed rule was published in the December 27 Federal Register and comments are due within 60 days thereafter.

IOM Issues Proposed Model to Help Providers Assess EHR Value
The Institute of Medicine (IOM) has released a discussion paper and proposed a financial model to help hospitals and other health care providers assess the costs and benefits of implementing electronic health records and related technologies. Produced by participants in the IOM’s Digital Learning Collaborative and members of the Healthcare Financial Management Association, the proposed standard model is intended to help providers conduct inter-organizational comparisons, identify best-in-class implementation approaches and prioritize process redesign endeavors.

In a Health Affairs blog post on the initiative, HCA’s own Dr. Jonathan Perlin, Chief Medical Officer and AHA chair-elect, writes, "Based on the need expressed by the IOM Roundtable on Value & Science-Driven Health Care for broader development and use of the digital infrastructure, including EHR deployment, we...have developed a tool to facilitate assessment of potential returns. Drawing from our collective experiences as health services researchers, policy-makers, economists, informaticists and, importantly, health care finance professionals, we reviewed the existing literature and presented a model that is being introduced now as a reference for business case development for provider investment in EHR."

**STATE**

Connect for Health Colorado and Medicaid Enrollment Exceeds 138,000

Connect for Health Colorado (C4HCO) released year-end metrics that show more than 138,000 Coloradans have signed up or been approved for health coverage that took effect January 1, 2014. More than 52,000 Coloradans purchased private insurance through C4HCO, exceeding conservative projections by 16,000 additional covered lives. Open enrollment for C4HCO continues until March 31, 2014. The deadline to sign up for coverage effective February 1 is January 15.

Meanwhile, numbers released by the Department of Health Care Policy and Financing (HCPF) show that more than 86,000 Coloradans enrolled in Medicaid. Original estimates called for over 114,000 Coloradans to be eligible for enrollment in the program, according to HCPF.

HCPF reports that the new metrics reflect actual enrollments rather than the previous estimates of eligibility. Nationwide, more than 2.1 million people have enrolled in a private health insurance plan through the federal and state-based marketplaces since October 1.
Florida: Upcoming Republican Primary

State Representative Kathleen Peters (R) faces lobbyist David Jolly (R), to see who will run in a highly competitive special election this spring to succeed the late Representative C.W. Bill Young (R-FL). Jolly has out-funded state Representative Peters; however, Peters is going into the primary on January 14 endorsed by U.S. Republican Representatives Diane Black (TN), Lynn Jenkins (KS), Ann Wagner (MS), Virginia Foxx (N. Carolina), and Susan W. Brooks (IN), who have either announced their support of Peters and/or hosted fundraisers for her.

David Jolly is a former staffer of the late Bill Young, and has received an endorsement by his widow. A third Republican in the race is Mark Bircher, a political newcomer with little fundraising and little name identification. The latest poll information available was released on December 31 and shows Jolly leading with 39% to Peters' 28% and Mark Bircher in third at 18%. As far as endorsements go, David Jolly received a big boost and endorsement from former St. Pete Mayor Rick Baker who was term limited out in 2009 and is still highly regarded in the district.

The winner of the primary will go on to face Democrat and former state CFO Alex Sink who narrowly lost the governor's race to Rick Scott in 2010. Sink has raised an astounding $1.1 million for her bid so far.

Idaho: State of the State Address Makes Clear Priorities

In Governor Butch Otter’s recent State of the State Address to the Legislature, he outlined his legislative agenda by indicating his top priorities as education and workforce development, with over a third of his address dedicated to the topic of his plan "K-through-Career" system. Little mention was given to issues surrounding healthcare and the health insurance exchange. Governor Otter defended his support of a state-based health insurance exchange, and as far as a redesign on Medicaid Expansion, he was very clear - "Not this year." The Governor based his decision on the fact that the "federal government has not proven it can responsibly manage our money. So for this year, and until we are better positioned and prepared to succeed on our own terms, my answer remains not this year."

The Governor did include funding for a plan to address mental health and substance abuse with three regional behavioral health crisis centers in Idaho Falls,
Coeur d'Alene and Boise. The Governor's full address can be found here.

Kentucky: kynect surpasses 100,000 and enrolls 116,000 in Health Insurance.

Since Thanksgiving week, enrollments through Kentucky's health insurance website, kynect, are up nearly 93 percent, and more than 1 out of every 4 signups is for private health insurance.

As was anticipated by Kentucky's health benefit website administrators, thousands of Kentuckians made final decisions on health care plans by December 23, the deadline to ensure their coverage would be effective New Year's Day.

Purchases of private health plans soared again, with 5,630 new enrollments over the previous week. Since Thanksgiving week, enrollments in private health insurance have swelled by 169 percent. kynect administrators strongly encouraged those who have enrolled in private insurance plans to pay their first premium by their insurer's deadline to ensure coverage begins promptly. Payments must be received by insurers by January 10.

However, open enrollment continues through March 31 for any Kentuckian seeking health insurance. Those who apply over the next couple weeks can have coverage activated as soon as February 1.

kynects technology team had anticipated a post-Thanksgiving increase in web traffic, applications and enrollments as individuals made decisions on coverage in advance of the December 23 deadline. The team increased capacity in order to meet that demand.

Since open enrollment began on October 1, kynect has enrolled nearly 1,300 Kentuckians in new health coverage each day. kynect has been hailed as a national model since its launch for its smooth operation and easy interface for users looking for affordable health coverage.