NOTEWORTHY

Congress is Back in Session
Congress returned this week after seven weeks away in their home districts preparing for the fall elections and taking care of business in their home states. Lawmakers came back to a packed agenda, including debate over funding the government for another year and finding additional resources for Zika response.

Uninsured Rate Reaches All-Time Low
New numbers released by the Centers for Disease Control and Prevention (CDC) show that the nation's uninsured rate dropped to 8.6 percent in the first quarter of 2016. Since the passage of the Affordable Care Act (ACA), the uninsured rate in the U.S. is down by almost 50 percent.

In total, 27.3 million people were uninsured between January and March of this year, down from 28.6 million in 2015. Experts think the number of uninsured will continue to drop this year.

For more on the numbers click here.

CMS Awards $63M in Navigator Grants
The Centers for Medicare and Medicaid Services (CMS) will fund 96 returning navigator organizations, as well as two new groups in Hawaii, which is transferring to a federal platform from a state-based exchange, for open enrollment this fall. This is the second year of a three-year funding cycle for the returning navigators. Grant funding is released...
annually, and according to the agency it continually assesses the grantees’ performance for ongoing support.

**Black Box for Benzos, Opioids**

The Food and Drug Administration (FDA) last week announced new label requirements for prescription opioids (prescription pain killers) and drugs called benzodiazepines (such as Xanax and Valium) to include so-called "black box" warnings detailing that the drugs can be fatal if taken together. The black box warning is the strongest warning that FDA can issue.

**Congress Blocks Zika Response Funding Bill Again**

Upon their return, the Senate took up a vote on the $1.1 billion plan to fight the Zika virus that was previously defeated before the summer recess. On a bill that needed 60 votes for passage, it was 52-46 on legislation that would provide funding for U.S. Zika virus response efforts, falling eight votes short. Democrats in Congress have opposed the bill because of language that excludes Planned Parenthood from a list of providers that can receive funding to help prevent the virus’ spread. Due to the standoff, lawmakers say they expect to address the funding issue by the end of the month as part of a must-pass, stopgap spending measure.

**Infection Measure Data Issue Prompts Additional FY 2017 HAC Review and Corrections Period and Other Updates**

The Centers for Medicare & Medicaid Services (CMS) has announced an error in calculating *Clostridium difficile* infection performance during the first two quarters of 2014. This error affects hospital performance in the fiscal year 2017 Hospital Acquired Condition Reduction Program, baseline performance in the FY 2018 hospital value-based purchasing program, and measure data reported on Hospital Compare in 2015. As a result, CMS is conducting a second review and corrections period for the FY 2017 HAC program through September 30 to allow hospitals to review their updated *C Difficile* performance. CMS also has updated the baseline period performance standard for the FY 2018 VBP program, and intends to update the archived databases of Hospital Compare to reflect corrected performance data. For more information, see CMS’s QualityNet website.

**STATE**

**California**

**Ballot Initiatives**

This November there will be seventeen voter initiatives on the state ballot that could, among other things, end the death penalty, legalize recreational marijuana, impose a tax surcharge on the wealthy, and place limits on prescription drug costs. Experts estimate that close to $100 million in television advertisements will be spent to sway voters into voting yea or nay for these measures. While the state has a long tradition of making law through the ballot box, the last time there were this many initiatives was 2000. This does not include local initiatives such as Los Angeles County’s proposal to raise the sales tax to pay for mass transit or a soda tax in San Francisco.
**Surprise Medical Bill Legislation**

The State Legislature, on August 31, passed a landmark bill to prevent consumers from facing large medical bills when they unknowingly receive care from an out-of-network provider at an in-network facility. The issue has gained prominence in states across the country as insurers shrink their provider networks. The bill prevents an enrollee or insured from owing the noncontracting individual health professional at the contracting health facility more than the in-network cost-sharing amount if the noncontracting individual health professional receives reimbursement for services provided to the enrollee or insured at a contracting health facility from the health care service plan or health insurer. This goes into effect on July 1, 2017.

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**Colorado**

**Amendments 69 and 70**

In a recent second poll conducted by Louisville-based Magellan Strategies, Amendment 69, the proposed ColoradoCare Amendment that would do away with private insurance carriers in the state and implement a statewide single-payer health-care system, supporters of the new system are significantly trailing in the polls. The first poll reflected ColoradoCare down by 50 percent to 43 percent; however, it now polls with only 27 percent support. It is thought that as people learned more about the enormity of the task and the $25 billion tax increase proposed to fund the system, that it is just too much for most voters to take on.

Amendments 70, which would raise the state's minimum wage from $8.31 an hour to $12 per hour in steps by 2020, received a 55 percent support rating in the sample of 500 likely voters that was conducted from August 29-31. Another 42 percent of voters oppose it, with just 3 percent undecided.

Both Amendments will appear on the November 8 ballot along with seven other ballot initiatives.

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**Georgia**

**Georgia Chamber Task Force Releases Conservative Medicaid Expansion Proposals**

A Georgia Chamber of Commerce Task Force released three alternatives for Medicaid expansion in the state that all include premiums and a lock-out period for individuals who do not pay premiums. The Health and Wellness Policy Committee's Healthcare Access Task Force laid out three types of plans on Wednesday, August 31. Each of the proposals would require its own 1115 waiver approval, according to the Georgia Hospital Association.

Two options have a Care Management Organization (CMO) market design and one CMO and Qualified Health Plan (QHP) option. The first CMO option would cover individuals below 100 percent of the federal poverty level and has both a standard and enhanced federal match.
option. The second CMO plan would offer coverage to those below 138 percent of the federal poverty level and an enhanced match. The third option would cover individuals below 100 percent of the federal poverty level through CMO and those below 138 through QHP, both with an enhanced match.

Jen Talaber Ryan, Deputy Chief of Staff for Communications for Georgia Governor Nathan Deal (R), who has opposed expanding Medicaid in the state, said any action on this proposal would have to start in the legislature. "The Governor is always open to hearing ideas and proposals as how to best provide health care coverage to Georgians, so long as it is financially sustainable," Ryan said.

All of the plans include provisions that Medicaid beneficiary advocates have opposed. These include work requirements, via expanding the SNAP (food stamp) work requirement pilot statewide; requiring all members to pay premiums and disenrolling those who do not pay; and keeping member copayments.

Louisiana

New Enrollees
The Department of Health and Hospitals’ Secretary Dr. Rebekah Gee has announced that more than 293,200 newly-eligible people have enrolled in Medicaid as of August 29. The goal is to enroll a total of 375,000 by June 30, 2017. In the latest edition of the Louisiana Health Insurance Survey, the report shows that one in five adults did not have health care coverage in estimates dating back to at least 2003, when the LSU-based survey first began. The latest tally of 644,000 uninsured adults does not account for the nearly 300,000 people who officials say have been added to the Medicaid rolls since expansion began July 1, suggesting the next round of numbers will reflect a major shift.

Tennessee

Special Session Set to Fix DUI Legislation
Governor Bill Haslam has called a special session of the legislature in order to fix a $60 million mistake in the state's drunk driving law. The Governor's proclamation limits action to revision of a bill passed earlier in the year that changed the punishment for persons aged 18-21 for drunken driving and any related matters. Federal officials have determined that the revision in this bill takes Tennessee out of federal compliance, thus making the state subject to a $60 million reduction in federal highway funding, effective October 1.

The "fix bill" is expected to be approved without opposition; however, it must pass on three separate readings on different days to comply with the state constitution. In regular session, rules call for delays after a bill clears committee before a floor vote is scheduled, and that could put the final vote off. However, it is anticipated that those rules will be suspended, requiring a two-thirds majority vote, then the final vote could be scheduled earlier.
Texas

Texas Hospital Uncompensated Care Cost Report to CMS
As part of the ongoing negotiations between Texas and CMS on the 1115 Medicaid Waiver, CMS required Texas to submit a study of hospital Uncompensated Care ("UC") costs by August 31, 2016. The "UC Study" was conducted by Health Management Associates and its findings will inform further negotiations between Texas and CMS on the specific size of the UC pool after the current waiver extension expires in December, 2017.

The Texas Health and Human Services Commission made public the final report on hospital uncompensated care costs last week. The Texas Hospital Association has prepared a summary of the report.

Notable findings:

- The Medicaid shortfall is anticipated to be $3.1 billion, excluding dual eligibles, and elimination of the shortfall would require $1.3 billion in state funding in order to increase rates by approximately 36 percent. The shortfall is simply costs less payments.
- Although unlikely, Medicaid expansion would have an estimated net positive effect of $358 million to providers; however, the unreimbursed cost attributable to the uninsured in Texas for FY 2017 is $3.7 billion including expansion.

Health Management Associates utilized the Texas Uncompensated Care reporting tool ("UC tool") for UC estimates rather than data reported on Worksheet S-10. HMA determined that the UC tool contains more robust, comprehensive, and accurate data.