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Updated February 18, 2011

## HOUSE-PASSED AMENDMENT TO DEFUND HEALTH REFORM WOULD BLOCK INSURANCE REFORMS, COST-CONTAINMENT MEASURES, AND COVERAGE IMPROVEMENTS

By Edwin Park

The House today passed an amendment by Rep. Denny Rehberg (R-MT) to the fiscal year 2011 continuing resolution, which is expected to pass tonight or tomorrow. The amendment would bar the use of any funds provided by the legislation to implement any aspect of the Affordable Care Act, the health reform law enacted last year.<sup>1</sup> If enacted, it would effectively block progress for the remainder of the fiscal year in a number of critical areas: protecting consumers, slowing health care cost growth, strengthening program integrity in Medicare and Medicaid, improving Medicare coverage for seniors and people with disabilities, and helping states prepare for the major coverage elements of the law slated to take effect in 2014.

### Preventing Enforcement of Insurance Market Reforms and Consumer Protections

The amendment would bar the Department of Health and Human Services (HHS) and the Department of Labor from ensuring that insurers and employers comply with the insurance market reforms and consumer protections that took effect last fall and are already helping millions of Americans. Such reforms include:

- **Insurance coverage for young adults.** Insurers and employers offering dependent coverage must allow parents to include children up to age 26 on their insurance plans. This year alone, 1.25 million young adults are expected to benefit. In the past, most insurance companies dropped children once they turned 19 or if they weren't students — one reason why a third of all young adults lack insurance, a larger share than any other age group.
- **Improved access to preventive care.** Insurers must also provide preventive care free of charge, including screenings for chronic illnesses like diabetes and cancer, vaccinations, and regular doctor visits. Better access to preventive care will help millions of families with their budgets and likely produce other benefits, such as fewer unnecessary deaths from disease, less

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<sup>1</sup> Specifically, the amendment would bar the use of *any* funds provided under the continuing resolution by employees, officers, contractors or grantees of any department or agency (such as the Department of Health and Human Services and the Department of Labor) funded through Labor/HHS appropriations to implement provisions of the Affordable Care Act.

spending on costly and avoidable illnesses, and a healthier population overall.

- **Protections for children with serious illnesses.** Insurance companies are barred from denying coverage to children with pre-existing health conditions like cancer, autism, or diabetes. As a result, for the first time in most states, families with children with serious illnesses, chronic conditions, or special health care needs can buy coverage for their children in the individual health insurance market.
- **No more arbitrary lifetime limits on coverage or denials of coverage once people get sick.** The Affordable Care Act bars insurers from imposing “lifetime limits” on benefits. As a result, people who get cancer or another illness that requires expensive treatments won’t have to worry that their benefits will run out or that the expensive treatments will push them into bankruptcy — or worse, that coverage limits will prevent them from getting lifesaving care. Also, insurers can no longer cut off care for people once they develop serious illnesses and need expensive medical care.

### **Halting Initiatives to Help Slow Health Cost Growth**

The amendment would bar HHS from moving forward on Affordable Care Act initiatives designed to help slow the growth in costs throughout the U.S. health care system, including:

- **Transforming how health care is delivered.** The Affordable Care Act includes a number of experiments and demonstration projects to change how health care is delivered in Medicare and Medicaid to lower costs and improve quality. Examples include using physician-led organizations called accountable care organizations to improve collaboration among primary-care and specialty doctors in order to improve care for patients while restraining costs, and paying hospitals and other facilities in ways that help ensure people get the care they need after they are discharged, in order to avert costly readmissions.
- **Improving coordination of care for “dual eligibles.”** HHS is also beginning to fund collaborative efforts between Medicare and state Medicaid programs to better coordinate care for low-income Medicare beneficiaries also eligible for Medicaid. This group of beneficiaries tends to be in poorer health than other beneficiary groups and to need more care. Improved coordination holds the promise of improving health care quality while containing costs.

### **Blocking Antifraud Initiatives**

The amendment would bar HHS from implementing Affordable Care Act provisions designed to better combat fraud and abuse in Medicare and Medicaid, including:

- **Expanded efforts to recover improper payments.** The Affordable Care Act gave HHS new authority to identify and recover overpayments by expanding an existing Medicare auditing process to cover Medicare Advantage, the Medicare Part D prescription drug benefit, and Medicaid.

- **New prevention tools.** The Affordable Care Act gave HHS new screening tools and data-sharing resources to prevent and identify fraud and abuse. It also gave HHS greater authority to exclude providers from participating in Medicare and Medicaid if, for example, they provide false information when they apply to participate in these programs.

## **Stopping Medicare Benefit Improvements**

The amendment would bar HHS from continuing to implement and administer the Affordable Care Act's Medicare benefit improvements, including:

- **Better access to preventive benefits.** Like people in private insurance, Medicare beneficiaries can now receive preventive health care without deductibles or co-insurance.
- **More affordable prescription medications.** The Affordable Care Act has begun to close the “doughnut hole,” the gap in Medicare prescription drug coverage that many seniors experience for drug costs beyond their first \$2,840 (which the Medicare drug benefit covers) but before the additional coverage that kicks in when their costs surpass \$6,448. Before the Affordable Care Act, seniors paid 100 percent of prescription drug costs within this large doughnut hole. Last year, seniors received a \$250 payment under the Affordable Care Act to help with these costs. This year, seniors are getting additional help — a 50 percent discount on brand-name prescription drugs and a 7 percent discount on generic prescription drugs while they are in the doughnut hole. The Affordable Care Act will close the entire doughnut hole by 2020.

## **Freezing Work to Implement Future Coverage Expansions and Other Provisions**

The amendment would bar HHS from giving states the regulations and guidance they need to set up health insurance exchanges, to institute important health insurance market reforms like guaranteed issue and the premium rating rules — which prohibit insurers from charging higher premiums to people in poorer health and sharply limit premium increases on the basis of age — and to implement the Medicaid expansion, all scheduled to take effect in 2014. Without this guidance, which states are clamoring for, states would find it very difficult to make the progress they need to have everything in place so they can implement the law efficiently and effectively by January 2014.