**OSR Legislative Affairs Update February 9, 2012**

**1. House Votes to Repeal Voluntary Elderly Home-Care Insurance Program**

The Community Living Assistance Services (CLASS) Act, one element of the 2010 Health Care Law, was designed to create a voluntary insurance program for elderly and disabled Americans to gain access to home health care. In October, The Department of Health and Human Services decided not to proceed with implementation of this act because of budgetary issues. The Republican controlled House of Representatives voted 267-159 to repeal this act on February 1, though this legislation is not likely to pass the Democrat controlled Senate. Although some democrats acknowledge flaws in the legislation, they insist that it should be revised instead of repealed.  [Reuters](http://www.reuters.com/article/2012/02/02/us-usa-healthcare-class-idUSTRE81103T20120202" \t "_blank)

**2. Chart on Republican Presidential Candidates’ Views on Healthcare**

Kaiser Health News has assembled a chart with each of the candidates’ views on several elements of healthcare policy including Medicare, Medicaid, the insurance marketplace, and overall views on healthcare reform.  [Kaiser Health News](http://www.kaiserhealthnews.org/Stories/2011/August/26/GOP-candidate-health-care-platforms.aspx" \t "_blank)

**3. California State Senate Rejects Single Payer Healthcare System Bill**

Legislation aimed at providing universal healthcare in California failed by two votes on January 26th.  Senate Leader Darrell Steinberg (D-Sacramento) said that the bill was primarily a means to “raise visibility of the issue.” The primarily Republican opposition to the bill insisted that the current bill would only create an inefficient bureaucracy.  [Los Angeles Times](http://latimesblogs.latimes.com/california-politics/2012/01/universal-healthcare-california-state-senate-stalemate.html" \t "_blank)

**4. Medicaid Prescription Drug Rebates Increased: Potential $17.7 Billion in Savings**

Drug manufacturers are required to pay a rebate to the Medicaid system each time one of their drugs is dispensed to an enrolled patient. A new rule issued by the Centers for Medicare and Medicaid Services increases the minimum rebate amounts from 15% to 23% of the average price of the medication for brand name manufacturers and from 11 to 13% for generic manufacturers. The measure is expected to save the federal government $13.7 billion dollars per year, and state governments $4 billion per year.  [Bloomberg](http://www.bloomberg.com/news/2012-01-27/medicaid-prescription-drug-rule-saves-17-7-billion-u-s-says.html" \t "_blank)

**5. AMA Petitions House Speaker John Boehner to Stop Required Transition to ICD-10 Coding System**

In 2013, medical practices will be forced to transition to the ICD-10 coding system for all patients covered by HIPAA, not Just Medicare patients. The ICD-10 system contains approximately 68,000 codes, compared to the current ICD-9 system’s 13,000 codes. The cost to transition is expected to cost between $83,290 and $2.7 million, depending on the size of the practice. The AMA has sent a leader to Speaker of the House John Boehner (R-Ohio), insisting that the switch will “create significant burdens on the practice of medicine with no direct benefit to individual patient care.” Also included in the letter is a request to delay penalties for medical practices that don’t transition to electronic medical records by the 2014 deadline.  [The Hill](http://thehill.com/blogs/healthwatch/medicare/206871-doctors-lobby-urges-gop-to-halt-new-insurance-codes" \t "_blank)

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