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House Passes FY 2012 Appropriations with Increase to IHS

Today, the House passed the remaining nine appropriations bills for Fiscal Year (FY) 2012 in a \$1 trillion omnibus package by a vote of 296-121. H.R. 2055 will now go to the Senate where it will likely be voted upon tomorrow. Although the continuing resolution (a mechanism that allows for government operations to continue at the current rate of funding) under which the government is currently operating expires tonight at midnight, the Obama Administration has indicated that the passage of FY 2012 appropriations by one chamber will forestall an immediate government shutdown.

Both the Senate and the President are optimistic about passing the legislation that is the result of weeks of negotiation between the House and Senate. Among funding for other agencies, it contains FY 2012 funding for the Indian Health Service at a total of \$4.31 billion. This represents a 6% increase from FY 2011 enacted levels.

The bill contains \$3.08 billion for total Clinical Services which includes \$845 million for Contract Health Services. Contract Support Costs are funded at \$472 million and Preventive Health is funded at \$147 million. Indian Health Facilities will receive a total of \$441 million in funding.

In a joint statement, those who managed the process of reconciling the House and Senate proposed levels of funding also noted that the bill assumes a reduction of \$7 million in small grants programs from IHS' budget. These small grants include programs that serve elders, women, and children. Also included is funding for the NIHB.

The managers' statement also included a directive with regard to Contract Support Costs. The Congressional managers wrote, "The conferees direct the Service to meet its annual Contract Support Costs reporting requirement due date, and to provide the Committees with current Contract Support Costs estimates in conjunction with its annual budget submission."

H.R. 2055 is over 2000 pages long and it will take several days to prepare the bill to send to the President's desk. Later this afternoon, the House passed two short-term continuing resolutions to allow time to complete necessary paperwork. One, H. J. Res. 95, would fund the government through December 23rd. The other, H. J. Res. 94, would fund the government one day, through December 17th.

The House sent two additional appropriations bills to the Senate today. H.R. 3672 *The Disaster Relief Appropriations Act of 2012* provides \$8.1 billion in recovery aid to communities affected by recent natural disasters. The other bill, H. Con.



Res. 94, off-sets the costs of H.R. 3672 with a 1.83% across-the-board cut to appropriations. Since H. Con. Res. 94 is separate from the disaster relief bill, the Senate does not need to pass it in order to fund disaster relief programs.

As stated above, the Senate is likely to pass the FY 2012 omnibus appropriations bill sometime tomorrow afternoon. NIHB is monitoring the situation and will provide more information as it develops.

ADMINISTRATION UPDATES

HHS Allows States to Define Essential Health Benefits

The Department of Health and Human Services today released a bulletin outlining proposed policies that will give states more flexibility and freedom to implement the Affordable Care Act.

The Affordable Care Act ensures all Americans have access to quality, affordable health insurance. To achieve this goal, the law ensures that health insurance plans offered in the individual and small group markets, both inside and outside of the Affordable Insurance Exchanges (Exchanges), offer a comprehensive package of items and services, known as “essential health benefits.”

The bulletin released today describes an inclusive, affordable and flexible proposal and informs stakeholders about the approach that HHS intends to pursue in rulemaking to define essential health benefits. HHS is releasing this intended approach to give consumers, states, employers and insurers timely information as they work toward establishing Exchanges and making decisions for 2014. This approach was developed with significant input from the public, as well as reports from the Department of Labor, the Institute of Medicine, and research conducted by HHS

Under the Department’s intended approach announced today, states would have the flexibility to select an existing health plan to set the

“benchmark” for the items and services included in the essential health benefits package. States would choose one of the following health insurance plans as a benchmark:

- One of the three largest small group plans in the state;
- One of the three largest state employee health plans;
- One of the three largest federal employee health plan options;
- The largest HMO plan offered in the state’s commercial market.

The benefits and services included in the health insurance plan selected by the state would be the essential health benefits package. Plans could modify coverage within a benefit category so long as they do not reduce the value of coverage. Consistent with the law, states must ensure the essential health benefits package covers items and services in at least ten categories of care, including preventive care, emergency services, maternity care, hospital and physician services, and prescription drugs. If a state selects a plan that does not cover all ten categories of care, the state will have the option to examine other benchmark insurance plans, including the Federal Employee Health Benefits Plan, to determine the type of benefits that will be included in the essential health benefits package.

The policy proposed today by HHS would give states the flexibility to select a plan that would be equal in scope to the services covered by a typical employer plan in their state. States and insurers would retain the flexibility to evolve the benefits package with the market as innovative plan designs are developed and advancements in care become available, and meet the needs of their citizens.

The bulletin issued today addresses only the services and items covered by a health plan, not the cost sharing, such as deductibles, copayments, and coinsurance. The cost-sharing features will be addressed in future bulletins and cost-sharing rules will determine the actuarial value of the plan.



Public input on this proposal is encouraged. Comments are due by Jan 31, 2012 and can be sent to: EssentialHealthBenefits@cms.hhs.gov.

For the essential health benefits bulletin, visit: <http://cciio.cms.gov/resources/regulations/index.html#hie>

For a fact sheet on the essential health benefits bulletin, visit: <http://www.healthcare.gov/news/factsheets/2011/12/essential-health-benefits12162011a.html>



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