STATE WATCH

**MARCH 16, 2015**

**California Healthline: Possible Explanation Offered for Delayed Medi-Cal Termination Data**
State officials have said they're handling about one million renewals a month for Medi-Cal, the state's Medicaid program. It's a process that started in June 2014. In addition to renewing Medi-Cal benefits for some Californians, the process includes terminating coverage for others for a variety of reasons. State officials last week said they don't have data for how many Californians have been dropped from the Medi-Cal program. (Gorn, 3/16)

**California Healthline: Health Care-Associated Infection Rates Down at California Hospitals**
California hospitals continue to show overall low rates of health care-associated infections, but cases of Clostridium difficile and some surgical infections are still on the rise, according to a report released Friday by the California Department of Public Health, the Los Angeles Daily News reports. (3/16)

**Sacramento Bee: Mandatory Vaccine Bills Fail In Oregon, Washington**
Legislatures in two states this week backed away from bills that would require more kids to get vaccinated, measures similar to one pending in California. (Rosenhall, 3/13)

HEALTH LAW ISSUES AND IMPLEMENTATION

**Arizona Republic: IRS: New Tax Scam Targets Health-Insurance Fines**
The Internal Revenue Service warns that unscrupulous tax preparers have told consumers to pay them directly instead of the federal government to settle potential fines assessed to those who don't have health insurance. (Soules, 3/15)

**USA Today: Funding, Focus Lacking For Health Care That Gets Results**
As the Affordable Care Act pushes doctors and hospitals to join forces to slash health care costs, those with the least-expensive solutions say they're still largely being ignored. Community health groups and companies that specialize in healthy eating and fitness are arguing for more recognition of non-medical ways to prevent and treat chronic conditions such as diabetes, hypertension and heart disease. Physicians and hospitals are rapidly forming what's known as accountable care organizations (ACOs) to reduce the duplication of services and keep large groups of patients well. But community groups, which could be far less expensive partners, have to fight for a "seat at the table" on the doctor-dominated boards of ACOs, according to a 2014 report by a North Carolina physicians' coalition. (O'Donnell and Ungar, 3/15)

**The Hill: Pro-Obamacare Groups Make Late-Enrollment Push**
The Obama administration and health reform advocates are gearing up for a new push to sign people up for the Affordable Care Act as enrollment reopens on Sunday for a limited time. The so-called "special enrollment period" begins Sunday and ends on April 30. It is designed to fall around tax-filing season, giving people a chance to sign up if they realize only while filing their taxes that they have to pay a penalty for not having insurance. (Sullivan, 3/14)
The Washington Post: Obama Visits Phoenix VA Facility At Heart Of Scandal
President Obama’s visit to the Department of Veterans Affairs hospital that was the epicenter of last summer’s nationwide scandal highlighted the work that VA must still do to weed out incompetent executives and win back the confidence of veterans. ... The president pointed to signs of progress over the past nine months: More doctors have been hired, and waiting times have been cut at some VA facilities. But the focus of Obama’s visit to Phoenix was the problems that remain. The president talked about the need to continue improving mental health care and suicide prevention programs for veterans, as well as changing a culture in which veterans’ needs were too often ignored. (Jaffe, 3/13)

CAPITOL HILL WATCH

The Wall Street Journal: Republicans To Lay Out Budget Priorities
House and Senate Republicans release their 2016 budgets this week, mapping out a conservative blueprint for shrinking federal spending and challenging the vision laid out by President Barack Obama in his budget last month. ... If House and Senate Republicans can agree on a budget, they would be able to tap into a procedural shortcut known as reconciliation, which would enable the GOP to bypass Senate Democrats on related legislation, likely including changes to the Affordable Care Act. Should internal GOP fissures derail passage of the budget resolution, the party’s best chance at sending its most conservative bills to Mr. Obama’s desk this year is gone. (Peterson and Timiraos, 3/15) This article may require an individual subscription to view.

The New York Times: Chasm Grows Within G.O.P. Over Spending
The idea is to pass a budget this month that sticks to the spending caps, but then negotiate a budget law this summer that ends sequestration. The $540 billion in cuts still to come under the Budget Control Act would be replaced by savings from entitlement programs like Medicare and Social Security as well as new revenue from closing some tax loopholes. (Weisman, 3/15)

PUBLIC HEALTH AND EDUCATION

The New York Times: Americans Evacuated From Sierra Leone After Possible Ebola Contact
The first of a group of 10 American aid workers who may have come into contact with the Ebola virus in Sierra Leone were evacuated on Saturday, American government and aid officials said. They will be the largest group of Americans to have returned home over fears of exposure to the virus since an outbreak in three West African countries was declared last year. (Fink, 3/14)

EDITORIALS AND OPINIONS

The Washington Post: What’s Ailing The ‘Doc Fix’
Spring is almost here: time for the annual Washington ritual known as the “doc fix.” ... The path of least resistance would be the well-trod one, passing yet another short-term patch. Yet there is increasing, bipartisan discussion of, at long last, a permanent solution. ... The big question is whether lawmakers would pay for such a plan through offsetting spending reductions or revenue increases, as they have paid for all previous short-term doc fixes. (3/13)
The New York Times: Medicaid Expansion In Red States
A number of states that had previously refused to expand their Medicaid programs for the poor are reconsidering that policy. They would be smart to embrace expansion as soon as possible to cover millions of people who would be left uninsured if the Supreme Court wipes out federal subsidies for low-income people buying insurance on the federal health exchanges. (3/16)
STATE WATCH

California Healthline: Hearing Today on Denti-Cal Report
A joint legislative hearing scheduled for Tuesday in Sacramento will examine a state auditor's report that found more than half the children in California's Medicaid dental program are not getting regular dental care and the number of dental providers in the program is dropping. (Gorn, 3/17)

Kaiser Health News: Rural Hospitals, One Of The Cornerstones Of Small Town Life, Face Increasing Pressure
Despite residents’ concerns and a continuing need for services, the 25-bed hospital that served this small East Texas town for more than 25 years closed its doors at the end of 2014, joining the ranks of dozens of other small rural hospitals that have been unable to weather the punishment of a changing national health care environment. For the high percentages of elderly and uninsured patients who live in rural areas, closures mean longer trips for treatment and uncertainty during times of crisis. "I came to the emergency room when I had panic attacks," said George Taylor, 60, a retired federal government employee. "It was very soothing and the staff was great. I can’t imagine Mount Vernon without a hospital." (Gugliotta, 3/17)

California Healthline: CHA Official: California's Safety-Net Hospitals Are 'at Risk
California's safety-net hospitals often do not have enough patients with private health coverage to offset the cost of treating a high percentage of low-income patients who are uninsured or covered by Medi-Cal, according to an official with the California Hospital Association, Capital Public Radio's "KXJZ News" reports (Bartolone, "KXJZ News," Capital Public Radio, 3/16).

ProPublica: California Announces Audit Of Insurance Company That Took Away Home Health Aide
California's labor department says it will conduct an audit of how Travelers Insurance handled the case of paralyzed worker Joel Ramirez, who was left to fend for himself for months after the company withdrew his 24-hour home health care. (Grabell and Berkes, 3/16)

HEALTH LAW ISSUES AND IMPLEMENTATION

The New York Times: Data On Health Law Shows Largest Drop In Uninsured In 4 Decades, The U.S. Says
The Obama administration said on Monday that 16.4 million uninsured people had gained health coverage since major provisions of the Affordable Care Act began to take effect in 2010, driving the largest reduction in the number of uninsured in about 40 years. Since the first open enrollment period began in October 2013, the officials said, the proportion of adults lacking insurance has dropped to 13.2 percent, from 20.3 percent. Sylvia Mathews Burwell, the secretary of health and human services, said the data revealed "the largest reduction in the uninsured in four decades." (Pear, 3/16)

Kaiser Health News: HHS: Health Law Has Helped Insure 16.4 Million
A total of 16.4 million non-elderly adults have gained health insurance coverage since the Affordable Care Act became law five years ago this month – a “historic” reduction in the number of uninsured, the Department of Health and Human Services said Monday. Those gaining insurance since 2010 include 2.3 million young adults aged 18 to 26 who were able to remain on their parents’ health insurance plus
another 14.1 million adults who obtained coverage through expansions of the Medicaid program, new
marketplace coverage and other sources, according to HHS' report. (Rovner, 3/16)

**NBC News: Feds: 4.2M Latinos Got Health Coverage, Saw Biggest Gains**
The share of adult Latinos without medical insurance dropped from 41.8 percent to about a third, the
Health and Human Services Department announced Monday. This makes Hispanics the group with the
largest gains in insurance. (Gamboa, 3/16)

**CAPITOL HILL WATCH**

**Los Angeles Times: Republicans Struggle To Present Unified Front Over 2016 Budget**
But faced with pressure from fiscal conservatives for a tough approach that cuts across all aspects of the
federal government, Republican leaders will be hard-pressed to produce a document that can unify its
ranks. Whether House Speaker John A. Boehner (R-Ohio) and Senate Majority Leader Mitch McConnell
(R-Ky.) will be able to usher a budget to passage remains uncertain. The party's budget problems are the
latest challenge for the Republican-led Congress, which swept into power promising not only to cut
spending but also to use the budget process to attack President Obama's top priorities, including the
Affordable Care Act. (Mascaro, 3/16)

**The Hill: House Passes Measures To Reauthorize Trauma Care Programs**
The House approved legislation on Monday to reauthorize federal grants for trauma care programs.
Current law, which expires in September, authorizes $100 million annually for trauma care grant
programs. (Marcos, 3/16)

**MARKETPLACE**

**The Fiscal Times: The Life-Saving Drug That Almost No State Can Afford**
This year so far, only nine people have been approved for Sovaldi, racking up a bill of $264,927 for the
state [of Illinois] in January and February. Meanwhile, 39 Medicaid patients were approved to receive
Harvoni, the other promising Hep-C drug from Gilead, at a cost of roughly $1.8 million over that same
time period, according to the Illinois Department of Health and Family Services. (Pianin and Ehley, 3/17)

**The Wall Street Journal's Pharmalot: Novartis Pays $12.6M Fine For Giving Inaccurate
Pricing Data To Medicare**
In what the federal government says is the largest such settlement ever reached, Sandoz has agreed to
pay $12.64 million to resolve allegations that it misrepresented pricing data on medicines that were
provided to the Centers for Medicare & Medicaid Services. (Silverman, 3/16)

**EDITORIALS AND OPINIONS**

**Los Angeles Times: A Middle Way To Resolve The Obamacare Case**
At the Supreme Court argument in King vs. Burwell, the case challenging how the Affordable Care Act
works, someone should have asked, "If a state with a federally run health insurance exchange now
adopts or ratifies that marketplace as its own, wouldn't it qualify as a state-established exchange?" An
affirmative response opens a middle way out of the dilemma posed by that lawsuit. (Edward J. Larson,
3/16)
Bloomberg: Obamacare: The Third-Fastest Expansion Of Health Insurance In U.S. History
The Obama administration announced today that the Affordable Care Act has expanded health coverage to 16.4 million people who were previously uninsured. This means Obamacare has expanded medical insurance faster than any new policy since Medicare and Medicaid were created in 1965. The announcement today counts 14.1 million people who have enrolled in private plans or expanded Medicaid coverage since 2013, and 2.3 million young adults who were allowed to stay on parent's health plans until the age of 26. The percentage of Americans without health insurance dropped from 20.3 percent two years ago to 13.2 percent today, according to the administration's analysis of Gallup polling data. That's impressive. (John Tozzi, 3/16)

Fox: Medicare: Time For Congress To Repeal And Replace The 'Sustainable Growth Rate' Formula
It's time we in Congress do our job and show leadership by enacting permanent legislation to repeal and replace the flawed SGR formula. The entire medical community recognizes the problem with the SGR, and now Congress has a responsibility to stop the bleeding. We have drafted a meaningful, proactive solution—and now Congress must have the courage and political will to see it through. Continually kicking the can down the road is only perpetuating Washington's spending problem, while yet another SGR deadline quickly approaches. (Rep. Renee Ellmers, R-N.C., 3/16)

Bloomberg: Want Miracle Drugs? You Have To Get Lucky
The saliva harvesters at 23andMe have struck upon what sounds like a smart idea -- using the genetic data they gather about their customers to develop new medicines. ... If 23andMe is collecting all that genetic data anyway, why not use it to identify drug targets? You probably shouldn’t hold your breath, though, for a slew of world-changing drugs to emerge from this effort. Developing truly new drugs around specific genetic targets isn't as easy as it is sometimes made to sound. (Justin Fox, 3/16)
STATE WATCH

California Healthline: Frustration Boils at Denti-Cal Hearing
It's not Jennifer Kent's fault, but that didn't stop the seething criticism of legislators on Tuesday at a joint legislative oversight hearing in the Capitol Building. Kent, appointed seven weeks ago as the new director of the Department of Health Care Services that oversees the Medi-Cal program, testified at Tuesday's oversight hearing of the Joint Legislative Audit Committee and the Senate and Assembly health committees. (Gorn, 3/18)

Los Angeles Times: Health Agency For The Poor Spends $476,000 On Meals, Entertainment
Los Angeles County supervisors chided officials with the L.A. Care public health plan after an audit found that the agency spent $476,000 on meals and entertainment between October 2013 and January of this year. The audit released last week found that the health plan -- an independent tax-exempt agency that has a $4.1-billion annual budget and provides managed healthcare services to low-income county residents -- was in good financial shape and that administrative costs were lower than those of other similar plans. (Sewell, 3/17)

HEALTH LAW ISSUES AND IMPLEMENTATION

U.S. News and World Report: Funding Cliff Threatens Community Health Centers
For five decades Community health centers have been hailed by government agencies and medical groups as a solution to care for underserved communities, but in October 2015 a major source of federal funding is set to expire, which could trigger layoffs and cause millions to lose access to health care. The Affordable Care Act, President Barack Obama's signature health care law, originally provided the programs with $11 billion in funding. That program, however, has faced cuts. It also doesn't extend for much longer. (Leonard, 3/17)

CAPITOL HILL WATCH

Los Angeles Times: House GOP Budget Would Boost Pentagon Spending, Curtail Safety Net
House Republicans released a 2016 spending blueprint Tuesday that seeks to fulfill the GOP goal of balancing the budget in 10 years, but does so by slashing Medicare and other safety net programs while dramatically boosting military spending. The proposed annual budget, at $3.8 trillion, promises to lower taxes and revisits well-worn Republican ideas for shrinking government, including its signature proposal for overhauling Medicare with a voucher-like private insurance option. (Mascaro, 3/17)

The Wall Street Journal: House GOP Outlines Plan To End Deficits
The [House] plan uses a budgetary maneuver, already contentious, designed to address the concerns of both defense hawks worried about curbs in military spending and deficit hawks uneasy over waning fiscal discipline. It would boost military spending through the use of emergency war funds that aren't subject to congressionally mandated spending caps, known as the sequester. ... The budget blueprint maintains last year's overarching focus on eliminating the deficit, with savings also generated by a repeal of the Affordable Care Act. It relies on several policy proposals introduced in recent Republican budgets. (Timiraos and Peterson, 3/17)
The Washington Post: GOP Budget Sets Up Fight Between Deficit Hawks And Defense Hawks
The plan, which pares more than $5 trillion from the federal budget, will instantly renew long-running hostilities with the White House and Democrats regarding spending and debt. But the biggest clash is likely to be between GOP budget hawks determined to reduce spending and defense hawks who want to bolster the Pentagon in the face of rising threats from the Islamic State and other terrorist groups. (Kane and Wilson, 3/17)

Fox News: House Republicans Seek ObamaCare Repeal, More Defense $$ In New Budget Plan
The spending plan stands little chance of ever being signed by President Obama, but makes clear that the party is not dialing back its ambitions despite a rocky start to the latest congressional session. After some internal debate over the Republican strategy for taking on the Affordable Care Act, the budget plan renews GOP calls to repeal and replace the law. (3/17)

MARKETPLACE

Los Angeles Times: New Health Insurance Data Breach In Northwest; 11 Million May Be Affected
A data breach may have exposed sensitive information of 11 million customers and employees of a major health insurer in the northwest United States. Premera Blue Cross, based near Seattle in Mountlake Terrace, Wash., said it discovered Jan. 29 that it had been the victim of a “sophisticated attack” that gained access to its information technology systems. (Pfeifer, 3/17)

EDITORIALS AND OPINIONS

Los Angeles Times: Bulletin: House Budget Proposes Repeal Of An Incredibly Effective Law
The Republican assertion that "Obamacare is not working" fits this definition perfectly. You'll find it, among other places, on Page 16 of the budget resolution released Tuesday by the GOP-controlled House Budget Committee. There the magic power of the incantation is designed to justify repealing the Affordable Care Act in its entirety, a central goal of the budget resolution. The Republicans should hope that the magic is strong, because the mantra will have to do battle with hard facts and figures that flatly contradict it. (Michael Hiltzik, 3/17)

The Washington Post: The House Republican Budget Departs From Both Economic And Political Reality
Programs that provide affordable health coverage for the middle class (Obamacare, which they repeal) and the poor (Medicaid, which is “block granted”) face large spending cuts. Future elderly persons do not escape unscathed, either, as Medicare is “voucherized” beginning in 2024. The budget includes more than $1 trillion in unspecified cuts that would appear to fall on nutritional support for the poor and tax credits for low-income, working families. (Jared Bernstein, 3/17)
Bloomberg: Obama Can't Ignore Court On Obamacare
Could the Barack Obama administration really ignore an adverse Supreme Court judgment in the King v. Burwell health-care litigation, as a University of Chicago law professor has proposed? Of course not. Obeying the court only with respect to the plaintiffs in this case would be a flagrant violation of the rule of law. It would put the administration in the position of flouting the court’s authority. It would be substantially more outrageous even than the Alabama Supreme Court’s order to its probate judges to ignore a federal ruling striking down the state’s anti-gay-marriage law. For these reasons, it's also completely unrealistic. (Noah Feldman, 3/17)
Kaiser Health News: Blue Shield of California Loses Its State Tax Exemption
California tax authorities have stripped Blue Shield of California, the state’s third largest insurer, of its state tax exemption and ordered the company to file returns dating to 2013, potentially costing the company tens of millions of dollars. At issue in the unusual case is whether the company is doing anything different from its for-profit competitors to warrant its tax break. As a nonprofit company, Blue Shield is expected to work for the public good in exchange for the state tax exemption. (Gold, 3/18)

Los Angeles Times: Why Did It Take 7 Months To Learn Blue Shield Lost Tax-Exempt Status?
Health insurance giant Blue Shield of California and state tax authorities both came under fire for not disclosing seven months ago a landmark decision taking away the insurer's tax-exempt status, which had been in place since 1939. The Times first reported Wednesday that the California Franchise Tax Board had quietly revoked Blue Shield’s tax-exempt status in August after a lengthy audit of the nonprofit health plan. (Terhune, 3/18)

California Healthline: Unions, CalPERS Oppose Brown's High-Deductible Health Plan Pitch
During a state Senate subcommittee hearing on Wednesday, unions voiced their opposition to Gov. Jerry Brown’s (D) plan to add high-deductible health plans to state workers’ coverage options, the Sacramento Bee's “The State Worker” reports (Ortiz, “The State Worker,” Sacramento Bee, 3/18).

HEALTH LAW ISSUES AND IMPLEMENTATION

Kaiser Health News: Most Americans Unaware Obamacare Subsidies Are At Risk
Kaiser Health News staff writer Phil Galewitz reports: “Despite months of news coverage, most people say they have heard little or nothing about a Supreme Court case that could eliminate subsidies helping millions of Americans afford coverage under the federal health law, according to a poll released Thursday. But when respondents were told about the case, King v. Burwell, about two-thirds said that if the court strikes down the subsidies, then Congress or state officials should step in to restore them, according to a survey by the Kaiser Family Foundation.” (Galewitz, 3/19)

The Washington Times: IRS Blames Obamacare For Shoddy Customer Service
The IRS is blaming Obamacare for the agency’s poor customer service, with Commissioner John Koskinen telling Congress on Wednesday that he has had to take money away from answering phone calls and instead spend it on technology and personnel to carry out President Obama’s health care law. Just 43 percent of taxpayers' phone calls are being answered so far this year. Mr. Koskinen warned that it would get worse without an infusion of money and Americans may start to feel emboldened to cheat on their taxes. (Dinan, 3/18)

The Hill: 2M Children Would Lose Coverage Without CHIP Funding
Almost 2 million children would lose health insurance if Congress does not extend the Children’s Health Insurance Program (CHIP) and if the Supreme Court rules against ObamaCare subsidies, according to a new report. (Sullivan, 3/18)
California Healthline: Medicare, ACA Have Faced Similar Criticism. But Is That Where The Comparison Ends?
As Medicare turns 50, many observers are looking back at the program’s beginning and drawing comparisons with more recent health reform efforts, namely the Affordable Care Act. (Stuckey, 3/18)

CAPITOL HILL WATCH

The New York Times: Senate Republicans Rebuff House Colleagues With Their Budget Plan
Senate Republicans on Wednesday released an austere budget that maintains strict caps on military spending and cuts trillions of dollars from health care and welfare, sending a rebuff to their House colleagues. ... Over all, the Senate version hews closely to the budgetary intent of the House proposal. It repeals the Affordable Care Act, turns Medicaid and food stamps into block grants and cuts domestic programs to balance the budget by 2025 without tax increases. The Senate budget also relies on a significant gimmick: It repeals the health law but also assumes that $2 trillion from the law’s tax increases continues to flow into the Treasury. (Weisman, 3/18)

The Wall Street Journal: Republicans Put Entitlements On The Table
House and Senate Republicans have resurrected efforts to curb spending for Medicare and other safety-net programs, releasing budgets this week that bring government entitlements back to the center of political conversation. ... The plan, the first budget from Senate Republicans since they took control of the chamber, provides few details on how or where Congress would produce those savings from Medicare and other so-called entitlement programs. ... The plan provides a measure of political protection to Senate Republicans who could face tough 2016 re-election contests in swing and Democratic-leaning states. (Hook and Peterson, 3/18) This article may require an individual subscription to view.

The Fiscal Times: 3 Big Health Care Changes In The House GOP’s Budget
House Republicans are taking aim at the government’s largest health care programs in their 2016 budget blueprint, which they claim would cut spending by $5.5 trillion over the next decade. From a complete repeal of Obamacare to overhauling Medicare and transforming Medicaid into block grants, the House GOP’s $3.8 trillion budget plan would balance the budget by 2026. (Ehley, 3/18)

MARKETPLACE

Kaiser Health News: Battle Over Dementia Drug Swap Has Big Stakes For Drugmakers, Consumers
Executives at drug company Actavis knew they had to move fast to avoid a plunge in sales of their top-selling drug, Namenda, a treatment for Alzheimer’s disease which would lose patent protection in July. When that happened, generic knockoffs would flood the market and doctors and pharmacists could switch patients to the lower-cost equivalents. (Appleby, 3/19)
**NPR: Why Is Insulin So Expensive In The U.S.?**

Dr. Jeremy Greene wondered why that was the case. Why was a medicine more than 90 years old so expensive? He started looking into the history of insulin, and has published a paper about his findings in this week's issue of the New England Journal of Medicine. The story of insulin, it turns out, starts back in the late 1800s. That's when scientists discovered a link between diabetes and damaged cells in the pancreas — cells that produce insulin. (Kelto, 3/19)

**EDITORIALS AND OPINIONS**

**Los Angeles Times: House Budget Proposal Talks A Bigger Game Than It Plays**

Describing its proposed budget resolution for fiscal 2016, the House Budget Committee declares, “This budget repeals Obamacare in its entirety -- including all of the tax increases, regulations, subsidies and mandates.” It adds that the resolution also repeals the more than $700 billion in Medicare reductions made by the healthcare law, along with the expansion in Medicare. Only it does none of those things. (Jon Healey, 3/18)

**Bloomberg: Obamacare Repeal? Call Back Next Week.**

Other than hard-core partisan Republicans, no one would blame Obama if her insurance disappeared under President Scott Walker and a Republican Congress. Indeed, the dynamic would flip: Republicans would suddenly be blamed for every health-care policy problem, whether it was caused by repeal or not. Even a successful replacement plan wouldn’t shield Republicans from blame -- all legislation requires trade-offs, and most of the time the losers care more than the winners. But passing a successful replacement for Obamacare would be extraordinarily difficult. (Jonathan Bernstein, 3/18)

**The Wall Street Journal: When Unions Trump Hospitals**

California Attorney General Kamala Harris is running for Senate, and some liberals call her a future President. So it’s worth putting on the record how she blew up a deal by Prime Healthcare Services to rescue a group of struggling Catholic hospitals so she could curry favor with the Service Employees International Union (SEIU). (3/18) This article may require an individual subscription to view.
STATE WATCH

California Healthline: Residency Training Slots May Evaporate
Friday is the day medical school graduates find out where they're going for residency programs -- the training years between medical school and practice. It's called Match Day. In California, there are 140 residency training slots every year in the family practice specialty. That number may diminish, given the pending loss of four funding sources designed to encourage California medical students to join family-practice residencies, particularly in underserved areas of the state. (Gorn, 3/20)

The San Jose Mercury News: California Drops Hammer On Blue Shield Tax-Exempt Status
In a startling blow to one of California's biggest health insurers, the state has revoked the tax-exempt status of Blue Shield of California, forcing the company to pay tens of millions of dollars in back taxes and unleashing a torrent of calls for it to return billions of dollars to customers. (Seipel, 3/19)

California Healthline: Poor Oversight Hinders Calif. IT Projects, Doc Licensing System
Many of California's IT projects, including a computer system designed to process online applications and renewals for health care providers, have been hindered by a lack of oversight from the state Department of Technology, according to a state audit released Thursday, the Los Angeles Times' "PolitiCal" reports (McGreevy, "PolitiCal," Los Angeles Times, 3/19).

California Healthline: Calif. Senate Committee Tackles Health Care Costs, Access Issues
During a state Senate committee hearing on Wednesday, stakeholders said that high costs continue to pose barriers to health care access in California, despite reforms under the Affordable Care Act, KQED's "State of Health" reports (Plevin, "State of Health," KQED, 3/19).

CAPITOL HILL WATCH

The Boston Globe: Bipartisan Medicare Bill Would End Yearly Fixes
At least once a year, doctors and their elderly patients endure a hated ritual where lawmakers use the threat of deep cuts to physician payments as a political bargaining chip. Now, in a rare instance of bipartisan cooperation, House leaders aim to stop the practice, once and for all. (Meyers, 3/20)

Stateline: Waiting For The Children's Health Insurance Program
The federal-state Children's Health Insurance Program (CHIP) will run out of money on Sept. 30. Until recently, Congress showed little interest in paying for it. But this week, the House agreed on a bill that would continue the $13 billion program in its current form through 2017. (Vestal, 3/20)
The Washington Post: Congressional GOP Struggles To Approve Budgets, Signaling Trouble Ahead
Budget resolutions do not have the force of law and don't require the president's signature, but they do set the rules for the remainder of the year in funding federal agencies and, if both chambers pass the same document, allow for fast-track procedures to approve certain legislation without having to overcome a Senate filibuster. The GOP budgets, which aim to be balanced in a decade through cuts and changes to Medicare and other domestic spending, will not receive any Democratic votes because they are viewed as overly punitive. Rep. Chris Van Hollen (D-Md.) said also said the GOP proposals would cut Pell grants for college tuition, slash nutrition programs and lead to higher medical and drug costs for seniors. (Kane and DeBonis, 3/19)

Los Angeles Times: GOP Uses A Little 'Parliamentary Contortionism' To Advance Budget
Even more important for the GOP, the budget process gives Republicans their best procedural tools for passing other measures -- including a repeal of Obama's healthcare law -- on a simple majority vote, circumventing Democratic filibusters. Though Obama could still veto such bills, the promise of passing a bill to undo the Affordable Care Act has become a strong pull to convince the deficit sharks to go along with the extra military spending, without contingencies. Obama has sharply criticized the overall GOP blueprint as more of the same trickle-down economics that provide tax breaks in hopes of spurring economic growth, while deeply cutting domestic programs, including Medicare. (Mascaro, 3/19)

MARKETPLACE

Bloomberg: Biogen Alzheimer's Drug Slows Disease Progression In Trial
Biogen Idec Inc.’s experimental drug for Alzheimer’s slowed progression of the disease in a study, offering a glimmer of hope after a string of failures by competitors who have tackled the ailment. The shares rose in early U.S. trading before markets opened. (Kitamura, 3/20)

Los Angeles Times: Judge Rejects Amgen Request To Block Sandoz's Copycat Drug
A federal judge rejected Amgen Inc.’s effort to temporarily block a competitor from releasing a copycat version of one of its top-selling biologic drugs. The Thousand Oaks biotech company had accused Novartis subsidiary Sandoz of violating the law in its effort to sell a version of Amgen’s infection-fighting drug Neupogen in the United States. (Pfeifer, 3/19)

Los Angeles Times: Blacks, Latinos Lag Behind Whites; 'Leaving So Many Behind,' Report Says
Improved health factors are generally the result of better healthcare insurance as mandated by Obamacare. Blacks went from 78.2% to 79.8%, helped in part by statistics showing a decrease in unhealthy life factors such as binge drinking. Latinos experienced a lower death rate and better health care coverage, improving their standing from 102.4% to 106.9% when compared to whites at 100%. A ranking of less than 100% means that blacks or Latinos were doing less well than whites, but a figure larger than 100% meant that the groups were doing better than whites. (Muskal, 3/19)
HEALTH POLICY RESEARCH

In this paper, we examine marketplace premium changes between 2014 and 2015 in all rating regions in all states and the District of Columbia. We provide premium data on the lowest-cost silver plan within each rating region for a 40-year-old individual who does not use tobacco. We calculate that the population-weighted national average premium increase in the lowest-cost silver plan offered in each year was 2.9 percent. Increases varied considerably both across rating regions within states and across states. The change in the population-weighted average premium in the lowest-cost silver plan offered in each year was 1.8 percent in the Northeast, 3.5 percent in the Midwest, 5.4 percent in the South and 1.4 percent in the West. (Holahan, Blumberg and Wengle, 3/17)

Rand Corp./American Medical Association: Effects Of Health Care Payment Models On Physician Practice In The United States
[The researchers] aimed to describe the effects that alternative health care payment models (i.e., models other than fee-for-service payment) have on physicians and physician practices .... Respondents perceived that alternative payment models have encouraged the development of team approaches .... Market observers and physician practices reported that global capitation and related shared savings models were changing relationships between primary care and subspecialist physicians. ... Alternative payment models had negligible effects on the aggregate income of individual physicians within the sample. ... Alternative payment models have not substantially changed how physicians delivered face-to-face patient care. Additional nonclinical work created significant discontent. (Friedberg et al., 3/19)

Reuters: Early X-Rays Might Not Help Elderly With New Back Pain
Older people with a new episode of back pain shouldn’t be sent right away for x-rays or other imaging studies, new research suggests. They won’t be any better off, and they’ll end up with bigger bills, the researchers say. "We found that they didn’t have worse or better outcomes, and yet they were certainly getting more things done to them downstream," said Dr. Jeffrey Jarvik, the study’s lead author from the University of Washington in Seattle. (Doyle, 3/17)

EDITORIALS AND OPINIONS

Bloomberg: Tricks To Balance Budget: Repeal Health Care Law, Keep Its Revenue
House and Senate Republicans say their budget proposals add up. It takes some creative math and logic to make that true. The budget plans unveiled this week call for the U.S. government to collect about $2 trillion in taxes in the next decade that Republicans have little or no intention of collecting. Some of that revenue would come straight from taxes to pay for the Affordable Care Act — which they want to repeal. (Richard Rubin, Erik Wasson and Heidi Przybyla, 3/20)

The Wall Street Journal: An ObamaCare Plan Beats No Plan
Liberals are lobbying the Supreme Court to uphold ObamaCare’s illegal subsidies by claiming Republicans won’t fix any resulting problems. This claim is political, not legal, but it is also likely wrong. In recent months the GOP has made more intellectual progress on health care than any period since ObamaCare passed. The question is whether the GOP can cohere around a reform alternative before the High Court rules in June, or repeat its recent dysfunction. (3/19) This article may require an individual subscription to view.