



Deficit-Reduction Super Committee Fails; Congress Returns to Finalize FY 2012 Spending

So-called Deficit Reduction “Super Committee” Throws Crisis Back to Congress

The bi-partisan co-chairs of the Joint Select Committee on Deficit Reduction announced on November 21st that they would not meet their deadline to make budget recommendations which would reduce the federal budget by \$1.2 trillion over the next ten years. **Senator Patty Murray and Rep. Jeb Hensarling** said “After months of hard work and intense deliberations, we have come to the conclusion today that it will not be possible to make any bipartisan agreement available to the public before the committee’s deadline....” They effectively tossed the ball back to Congress and the President by also stating that “Despite our inability to bridge the committee’s significant differences, we end this process united in our belief that the nation’s fiscal crisis must be addressed and that we cannot leave it for the next generation to solve....We remain hopeful that Congress can build on this committee’s work and can find a way to tackle this issue in a way that works for the American people and our economy.” The mandate under the Budget Control Act, if Congress does not supersede the rule, would result in \$600 billion in “sequestration” cuts over ten years to both defense and non-defense accounts beginning in 2013 (\$54.7 billion of cuts in the first year would likely amount

to 7-8% of spending in each account). However, the mandate stipulates that Medicare spending would be cut by only 2% while Medicaid and SCHIP spending would be left untouched. Democrats blamed Republicans for the committee’s failure by refusing to come up with new taxes above \$300 billion and that would raise revenues for high income earners, while Republicans said Democrats remained obstinate in refusing to address the rising costs of entitlements. **House Speaker John Boehner** and other Democrat leaders have said the automatic triggers should remain in place and **President Obama** said he would veto legislation attempting to ameliorate the trigger (e.g. **Senator John McCain’s** public statement that he would try to move legislation saving the Defense Department from the automatic cuts).

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FY 2012 Appropriations Deadline

The current CR temporary spending measure ends on December 16th, leaving little time for Congress to finish up the remaining nine FY 2012 appropriations bills before

Christmas (including the Labor-HHS-Education bill). The House Democrat leadership has urged **Speaker John Boehner** to wrap up the appropriations process and use the last spending bill as a possible vehicle to fix the Medicare physician SGR problem in order to avoid a 30% cut in payment rates beginning next January. Even with the failure of the Deficit Reduction

Committee to meet their \$1.2 trillion minimum reduction goal with an anticipated fix to the SGR, **House Minority Leader Eric Cantor** has previously stated his goal to address the problem before Congress adjourns this year.

NAIC Urges Congress to Amend MLR to Help Agentsled

The National Association of Insurance Commissioners adopted a resolution, on a close vote of 26-20, to consider legislation amending the PPACA minimum loss ratio (MLR) rule to exempt health insurance agent commissions from being counted as administrative expenses. Agents have pushed for legislation introduced by **Rep. John Yarmuth**, H.R. 3183, which would accomplish the goal of the NAIC resolution.

President Nominates New CMS Administrator

The current **CMS Administrator, Donald Berwick**, announced that he will leave the post December 2nd. **President Obama** quickly advanced his nomination of **Marilyn B. Tavenner** to fill the post. Republicans blocked the Berwick nomination in the Senate, but **Senator Orrin Hatch** said his colleagues would look at Ms. Tavenner's views on Medicare, Medicaid and the PPACA before deciding whether to support the nomination.

PPACA Website to HELP Find Small Business Health Coverage

HHS announced that the PPACA generated HealthCare.gov website has been updated to provide small businesses in all states with access to information on more than 530 insurers and the 2,700 small business health insurance plans they offer.

SMP Grants

CMS announced that it has awarded \$9 million in grants to expand 52 Senior Medicare Patrol (SMP) programs which the agency says are vital to empower seniors to identify and fight fraud.