### **Hamilton Headlines**

AUGUST 10, 2015



# \*Maryland News\* Maryland's Montgomery County Enacts First Paid Sick and Safe Leave Law in State

Montgomery County is the first county in Maryland to enact a paid sick and safe leave law. The Earned Sick and Safe Leave Law ("the Law") requires employers operating and doing business in Montgomery County, that employ one or more employees, to provide paid sick and safe leave to their employees who perform work in the County. It becomes effective on October 1, 2016, or, for employees covered by a collective bargaining agreement ("CBA") in effect, on October 1, 2016, after the expiration of the CBA. The Maryland General Assembly had considered a similar bill during the 2015 legislative session, but the bill failed in session.

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#### Half of Nation's

## Medicare Prescription Drug Premiums Projected to Remain Stable

On the eve of the 50th anniversary of the signing of Medicare and Medicaid into law, the Centers for Medicare & Medicaid Services (CMS) projected today that the average premium for a basic Medicare Part D prescription drug plan in 2016 will remain stable, at an estimated \$32.50 per month.

"Seniors and people with disabilities are continuing to benefit from stable prescription drug premiums and a competitive and transparent marketplace for Medicare drug plans," said acting CMS Administrator Andy Slavitt. "While this is good news, we must ensure that Medicare Part D remains affordable for Medicare beneficiaries so that they can have access to the prescription drugs that they need."

This news comes despite the fact that total Part D costs per capita grew by almost 11 percent in 2014, driven largely by high cost specialty drugs and their effect on spending in the catastrophic benefit phase. As the Medicare Payment Advisory Commission (MedPAC) recently reported, total Medicare payments to plans for reinsurance have grown by more than three times the pace of premium growth.

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#### Congress Overwhelmingly Approves Bill

# Hospitals Fail Again to Escape Medicare's Readmission Penalties

Once again, the majority of the nation's hospitals are being penalized by Medicare for having patients frequently return within a month of discharge - this time losing a combined \$420 million, government records show.

In the fourth year of federal readmission penalties, 2,592 hospitals will receive lower payments for every Medicare patient that stays in the hospital - readmitted or not - starting in October. The Hospital Readmissions Reduction Program, created by the Affordable Care Act, was designed to make hospitals pay closer attention to what happens to their patients after they get discharged.

#### **Continue**

# How Infant Mortality Rates in the United States Compare to Rates in Other Countries

Infant mortality rate (death within their first year of life) is a widely-utilized indicator of population health. Our new chart collection highlights infant mortality rates in the U.S. compared to rates in similarly wealthy and sizable OECD countries, as well as variations in the rate of infant mortality by race and ethnicity within the U.S.

Overall, the U.S. and comparable countries have seen a decrease in infant mortality rate in recent

#### Bolstering Medicare Patients' Hospital Rights

The U.S. Senate unanimously approved legislation on July 27th requiring hospitals across the nation to tell Medicare patients when they receive observation care but have not been admitted to the hospital. It's a distinction that's easy to miss until patients are hit with big medical bills after a short stay.

The vote follows overwhelming approval in the U. S. House of Representatives in March. The legislation is expected to be signed into law by President Barack Obama, said its House sponsor, Texas Democratic Rep. Lloyd Doggett.

It's called the NOTICE Act, short for "Notice of Observation Treatment and Implication for Care Eligibility." The law would require hospitals to provide written notification to patients 24 hours after receiving observation care, explaining that they have not been admitted to the hospital, the reasons why, and the potential financial implications.

Those implications can be dire. Observation care hurts seniors in two ways: It keeps Medicare's more comprehensive hospitalization coverage from kicking in, and it means they may not get Medicare's limited nursing home benefit if they need care in a facility after being in a hospital.

To qualify for Medicare's nursing home coverage, beneficiaries must first spend three consecutive midnights as an admitted patient in a hospital, and observation days don't count.

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### DID YOU KNOW? Top Headlines of the Week

-- Anthem Inc. has agreed to acquire rival Cigna Corp. for \$54 billion, creating the health insurance industry's biggest company by enrollment. The agreement announced Friday caps weeks of frenzied dealmaking in the healthcare sector. The tie-up of Anthem and Cigna would accelerate the rapid-fire reconfiguration at the top of the U.S. managed-care industry. The biggest companies are

years. The infant mortality rate in the U.S. declined about 13 percent from 2000 to 2012. However, rates vary significantly by race and ethnicity. Blacks in the U.S. continue to have significantly higher rates of infant mortality than other races, despite seeing an improvement of about 15 percent from 2000 to 2010. Data from the National Vital Statistics System (NVSS) indicate American-Indian and Alaska Natives also have higher-than-average rates and were the only group to experience an increase (almost 3 percent) in infant mortality from 2005 to 2010.

**Full article** 

# Quinquennial Qualified Retirement Plan Determination Letter Program Ending in 2017

On July 21, the IRS announced the discontinuance, effective January 1, 2017, of the every five year determination letter program for individually designed qualified retirement plans. The stated purpose of the discontinuance of this program is the IRS' "lack of resources". We suspect this will mean additional IRS agents will be assigned to plan audits.

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seeking more cost efficiency and scale as the healthcare landscape changes because of the Affordable Care Act and other factors. ... Of the five largest health insurers, only UnitedHealth Group Inc., the largest by revenue, is sitting out the merger wave, at least so far.

- -- Aetna Inc. reached a \$37-billion deal for Humana Inc. this month.
- -- Woodland Hills insurer Health Net Inc. agreed to be acquired by Medicaid insurer Centene Corp. for \$6.8 billion.
- -- Israeli drug maker Teva Pharmaceutical Industries Ltd. is in talks to combine with Allergan PLC's big generic-drug business, in a move that would further consolidation in the health-care industry and likely mean the end of Teva's pursuit of another acquisition.
- -- A newly approved drug that has been hailed as a breakthrough treatment for high cholesterol is causing sticker stock across the healthcare industry. The injectable treatment, Praluent, is the first of a powerful new class of drugs proven to lower cholesterol. It also carries a list price of \$14,600 a year nearly twice what analysts had been expecting. While the newly approved drug is far from the most expensive on the market, it has potential for widespread use: It could be used by millions of people who have been unable to treat their high-cholesterol with existing and cheaper drugs.
- -- For Walgreen Co., the decision to move to a private health care exchange one of the first and largest employers to do so was not about cost, but rather the personalization of health benefits and health needs.

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