



Health Policy Briefing

January 14, 2012

House Returns to Light Schedule Amid Mounting Fiscal Crises

Congressional Schedule

The House returns this week to organize committees and to a light floor schedule. On Monday, January 14th the House Ways and Means Committee meets to organize and adopt rules for the 113th Congress (at 10:00 a.m. in 1100 Longworth Bldg). The Senate returns on January 21, the day of the Presidential Inauguration. The following day the House Energy and Commerce Committee meets to organize and adopt committee rules (at 10:00 a.m. in 2123 Rayburn Bldg).

The State of the Union Address will be on Tuesday, February 12th and the President's fiscal year (FY) 2014 federal budget is expected to be delivered late to Congress. By law, it is required to be delivered by the first Monday in February (February 4th). House Budget Committee **Chairman Paul Ryan** (R-WI-01) has written to the Office of Management and Budget (OMB) asking for the date when the budget documents will be released but has not received a response. The fact that the White House has yet to give agencies their targets for FY 2014 spending, OMB can be expected to delay the release of the budget until at least mid-to-late February.

It is also possible that the Treasury Department may soon give Congress a new deadline for increasing

the federal debt limit, perhaps as early as mid-February. Given House Republican demands that spending offsets accompany the level of any debt limit increase and the President's stated refusal to negotiate on an increase, the situation may devolve into a series of monthly or other short-term increases extending up to and, perhaps, beyond the March 1st sequestration deadline and the March 27th date when the FY 2013 continuing resolution expires. In this regard, House Republican Policy Committee **Chairman James Lankford** (R-OK-05) and Budget Chairman Paul Ryan (R-WI-01) have proposed a "government shutdown prevention" plan that would automatically result in 90-day continuing resolutions until a larger spending plan is negotiated and enacted. While statements from Senate **Minority Leader Mitch McConnell** (R-KY) appear to be backing away from a government shutdown scenario suggested by other *continued on page 2*

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congressional Republicans, it is uncertain what tack the House will take when it comes to increasing the debt limit and dealing with sequestration and FY 2013-14 budget issues. With the delay by the White House in revealing a new budget blueprint, it is highly unlikely that Congress will meet the Budget Control Act's April 15th timeline for passing a FY 2014 budget resolution.

GOP Health Committee Assignments

Republican Senators Johnny Isakson (R-GA), Rob Portman (R-OH) and Pat Toomey (R-PA) have been chosen to serve on the Senate Finance Committee while Senator Tom Coburn (R-OK) will leave the committee. Senators Lamar Alexander (R-TN) has also been selected to serve as the Ranking Member on the Senate HELP Committee, replacing Senator Mike Enzi (R-WY), and new Senator Tim Scott (R-SC) has also been given a seat on the panel. Added to the Senate Special Committee on Aging were Senators Kelly Ayotte (R-NH), Ted Cruz (R-TX), and Jeff Flake (R-AZ) while leaving the panel are Senators Saxby Chambliss (R-GA), Lindsey Graham (R-SC), Ron Johnson (R-WI), Jerry Moran (R-KS) and Richard Shelby (R-AL).

Medicare/Medicaid/PHSA Corner

Medicare Per Capita Spending Slows

The U.S. Department of Health and Human Services (HHS) reported that Medicare per capita spending in FY 2012 increased by only 0.4% following relatively low growth in 2010 of 1.8% and 3.6% in 2011. The HHS Secretary cited the Patient Protection and Affordable Care Act (PPACA) as one means of the reduced spending, although other analysts cited the recession as a major reason for reduced medical spending in general. Nonetheless, Congress is expected to confront the rising aggregate cost of Medicare, Medicaid and other federal spending programs in an attempt to trim future federal deficits. In this regard, House Reps. Charles Boustany (R-LA-03), Marsha Blackburn (R-TN-07), Phil Gingrey (R-GA-11) and Pat Tiberi (R-OH-12) are collecting responses from states on how state Medicaid long-term care program expenses can be trimmed through potential tightening of the Medicaid asset eligibility rules.

Meaningful Use Incentive Payments

HHS reported that \$10.3 billion in Medicare and Medicaid meaningful use program incentive payments have been made to date, including \$225 million to physicians and other medical professionals in just December of last year.

CMS Requests Contact Information from Providers

The Centers for Medicare and Medicaid Services (CMS) published a notice asking for updated contact information from physicians and other providers to enable the agency to survey them about the degree of satisfaction they have with their Medicare Administrative Contractors (MACs).

Medicare/Medicaid/PHSA Corner cont.***MedPAC Medicare Payment Recommendations***

The Medicare Payment Advisory Committee (MedPAC) finalized their recommendations on FY 2014 payment updates to be forwarded to Congress in March, as follows: Congress should cancel any payment changes for long-term care hospitals (LTCHs) and hospice facilities; Congress should increase inpatient and outpatient hospital rates by 1% (less than the 1.8% increase scheduled under current law for inpatient rates, but with the 0.8% difference used to recover overpayments and restore budget neutrality); and Congress should not increase payments for ambulatory surgical centers (ASCs), but require ASCs to submit cost data and implement the ASC value-based purchasing program by 2016. MedPAC said its recommendations are not based on the assumption that Congress will make additional cuts under a possible sequestration mandate. MedPAC also recommended that institutional Medicare Advantage special needs plans (I-SNPs) be reauthorized permanently, that C-SNPs (serving beneficiaries with specific chronic diseases) not be reauthorized and that D-SNPs (for dual Medicare/Medicaid eligibles) be reauthorized only for so-called integrated plans.

PPACA Health Reform Update***New ACOs Approved***

HHS reported that 106 new accountable care organizations (ACOs) have been approved under the Medicare Shared Savings Program, thus increasing to over 250 the number of ACOs offering Medicare coverage in 2013.

FDA Issues***FDA Releases New Rules to Stem Food Illnesses***

The Food and Drug Administration (FDA) issued proposed regulations, required under the Food Safety Modernization Act, which are designed to help prevent food-borne illnesses brought on by the contamination of produce and processed foods. The FDA estimated that the rules could prevent about 1.75 million illnesses annually.

Health Legislation Recently Introduced or Signed into Law

The President signed into law the **Medicare IVIG Access and Strengthening Medicare and Repaying Taxpayers Act of 2012** (H.R. 1845), legislation creating a three-year demonstration program for the at-home intravenous immune globulin (IVIG) treatment of certain Medicare beneficiaries with immune deficiencies and rules governing the Medicare Secondary Payer program.

H.R. 152 (APPROPRIATIONS), making supplemental appropriations for the fiscal year ending Sept. 30, 2013, and for other purposes; ROGERS of Kentucky; jointly, to the committees on Appropriations and the Budget, Jan. 4.

H.R. 162 (MEDICAID), to amend Section 1932 of the Social Security Act to require independent audits and actuarial services under Medicaid managed care programs, and for other purposes; BACHMANN; to the Committee on Energy and Commerce, Jan. 4.

H.R. 171 (CHIROPRACTORS), to amend the Public Health Service Act to authorize appointment of Doctors of Chiropractic to regular and reserve corps of the Public Health Service Commissioned Corps, and for other purposes; GENE GREEN of Texas; to the Committee on Energy and Commerce, Jan. 4.

H.R. 172 (CHIP), to amend Title XXI of the Social Security Act to require 12-month continuous coverage under the State Children's Health Insurance Program; GENE GREEN of Texas; to the Committee on Energy and Commerce, Jan. 4.

H.R. 173 (MEDICAID), to amend Title XIX of the Social Security Act to require 12-month continuous coverage for children under Medicaid; GENE GREEN of Texas; to the Committee on Energy and Commerce, Jan. 4.

H.R. 207 (HEALTH SAVINGS ACCOUNTS), to amend the Internal Revenue Code of 1986 to make members of health care sharing ministries eligible to establish health savings accounts; SCHOCK; to the Committee on Ways and Means, Jan. 4.

H.R. 211 (MEDICAID), to amend Title XIX of the Social Security Act to waive the requirement for proof of citizenship during the first year of life for children born in the United States to a Medicaid-eligible mother; SERRANO; to the Committee on Energy and Commerce, Jan. 4.

H.R. 217 (ABORTION), to amend Title X of the Public Health Service Act to prohibit family planning grants from being awarded to any entity that performs abortions, and for other purposes; BLACK; to the Committee on Energy and Commerce, Jan. 4.