

HALL RENDER'S THIS WEEK IN WASHINGTON - MAY 31, 2013

HALL RENDER LAUNCHES STARK LAW CORRECTION INITIATIVE

On May 30, Hall Render announced the formation of a coalition of health systems to pursue changes to the Stark Law. The coalition, known as the Stark Law Correction Initiative ("SLCI"), will lobby Congress to adopt a "technical noncompliance" amendment that will fix the monetary penalty a hospital or health system can incur for having an unsigned, verbal or lapsed agreement.

The proposed amendment would allow a hospital to disclose an unsigned, verbal or lapsed agreement and pay a fixed monetary penalty without waiting years for a settlement offer from CMS. CMS would still retain authority to flag such disclosures for further review and action.

The expedited process is similar to the desk review and stipulated damages proposal the American Hospital Association ("AHA") advocated for in a [2010 letter](#) to HHS Secretary Kathleen Sebelius. In addition to support from AHA, the SLCI is backed by hospitals and health systems from across the country. The SLCI is in the process of working on legislative language for the proposed amendment with Rep. Charles Boustany, M.D. (R-LA).

ENERGY AND COMMERCE PANEL RELEASES DRAFT SGR LEGISLATION

On May 28, House Energy and Commerce Committee released [draft legislation](#) to overhaul Medicare's physician payment system. The legislation comes months after both the Ways and Means and Energy and Commerce committee released a [joint framework](#) for repealing the current Sustainable Growth Rate ("SGR") formula. It is anticipated the Ways and Means committee will unveil their own SGR legislation in the coming weeks.

The 24-page draft legislation would allow providers to leave the fee-for-service system and participate in alternative care-delivery models. The draft legislation does not address how the reform will be paid for nor does it prescribe the types of fee-for-service alternatives from which providers could choose. Interested parties have until June 10 to send comments. Comments can be sent to SGRComments@mail.house.gov.

On the Senate side, the Finance Committee has held hearings on the issue this Congress but has yet to outline a physician payment proposal. The last temporary "doc fix" was negotiated as part of the fiscal cliff deal and expires on December 31, 2013.

MEDICARE TRUSTEES REPORT RELEASED

On May 31, the U.S. Treasury Department released the annual Medicare and Social Security Trustees report. The report projected that Medicare's hospital trust fund will be solvent until 2026, which is two years longer than the 2012 projection.

The improvement reflects the lower-than-expected growth of Medicare spending in 2012 and an expectation that the federal health care law will reduce growth in Medicare advantage spending more than originally anticipated.

The trustees for Medicare report annually to Congress on the financial operations and actuarial status of the program. In 2012, the trustees reported that Medicare's hospital insurance trust fund was running out of money and unable to pay all the claims for promised benefits as early as 2024.

The report assumes Congress will allow a 30% cut to physician payments to go into effect next year - something that has never happened because Congress regularly passes a "doc fix" bill. The full report will be made available on the [CMS website](#).

NEXT WEEK IN CONGRESS

The House Energy and Commerce Health Subcommittee will hold a hearing on June 5 to discuss its newly released draft legislation for overhauling Medicare's physician payment formula.

For more information, please contact John F. Williams, III at 317-977-1462 or jwilliams@hallrender.com.

Please visit the Hall Render Blog at <http://blogs.hallrender.com/> for more information on topics related to health care law.