

## THIS WEEK IN WASHINGTON - MARCH 14, 2014

### SGR REPEAL PASSES HOUSE BUT DOA IN SENATE

On Friday, the House voted to permanently repeal the Sustainable Growth Rate ("SGR") formula. The Republican proposal (H.R. 4015), which was supported by 12 Democrats, pays for replacement of the Medicare physician payment formula by delaying enforcement of the Affordable Care Act's individual mandate penalties for five years. The Congressional Budget Office **estimates** that suspending the individual mandate's penalty until 2019 would save \$169.5 billion. The measure did not contain any Medicare extenders, like outpatient therapy caps, ambulance add-on payments or the low-volume hospital adjustment.

Earlier in the week, Senators Mitch McConnell (R-KY), John Cornyn (R-TX) and Orrin Hatch (R-UT) introduced their own SGR replacement bill (S. 2122) that also proposes to pay for replacing the SGR by repealing the individual mandate. However, Senate Majority Leader Harry Reid (D-NV) has rejected the House proposal and indicated that he will bring an SGR repeal bill to the floor that has no "pay-for" provisions.

Since Congress is in a scheduled recess next week, only six legislative days remain until the current SGR patch expires on March 31. Therefore, lawmakers are expected to pass another short-term patch that will fund the SGR beyond the November elections. Negotiations over that measure are likely to go down to the last minute and could even go just beyond the March 31 deadline.

### HOUSE BILL WOULD REFORM HOSPITAL READMISSION REDUCTION PROGRAM

Rep. Jim Renacci (R-OH) has introduced legislation (H.R. 4188) that would require the U.S. Department of Health and Human Services ("HHS") to adjust the readmissions penalty based on a hospital's share of dual eligible patients, low-income seniors or young people with a disability. The bill attempts to factor in certain socioeconomic and health factors that are not considered under the current Medicare Hospital Readmission Reduction Program.

The legislation also would require HHS to review the current readmission program's risk adjustment methodology to account for dual-eligible individuals and consider using V (external cause of injury) codes to ensure hospitals are not penalized when patients are purposefully not adhering to their physician-recommended treatments. In addition, the bill would require the Medicare Payment Advisory Commission to study whether the program's 30-day readmission threshold is appropriate.

### SENATE PASSES PEDIATRIC RESEARCH ACT

On Tuesday, the Senate passed a bill (H.R. 2019) that would provide \$130 million over 10 years to fund the research of a range of pediatric cancers and childhood diseases through the National Institutes of Health. The measure is paid for by reallocating existing federal funds for presidential campaigns and alters how political parties would have to raise funds for political conventions. President Obama is expected to sign the proposal.

### BILLS INTRODUCED THIS WEEK

**H.R. 4187:** Rep. Peter Roskam (R-IL) introduced a bill that would amend Title XVIII of the Social Security Act to encourage the development and use of new antimicrobial drugs that can treat resistant bacterial infections.

**H.R. 4190:** Reps. Brett Guthrie (R-KY) and Todd Young (R-IN) introduced legislation that will allow Medicare reimbursement for certain pharmacist services in medically underserved communities.

### NEXT WEEK IN CONGRESS

The House and Senate are on recess. They will return on March 24.

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