

HALL RENDER'S THIS WEEK IN WASHINGTON - AUGUST 1, 2014

CONGRESS URGES FCC TO CLARIFY MEANING OF NOT-FOR-PROFIT HOSPITAL

On August 1, members of the House of Representatives sent a [letter](#) to Federal Communications Commission ("FCC") Chairman Tom Wheeler urging the FCC to clarify the meaning of "not-for-profit hospital" utilized by the Universal Service Administration Company ("USAC") when determining eligibility for broadband network subsidies available through the Healthcare Connect Fund. The letter was sent at the request of Hall Render, who was acting on behalf of health systems in Indiana, Ohio, Illinois and Colorado. A bipartisan group of senators is sending their own letter next week.

The letters ask the FCC to instruct USAC on that, for purposes of determining program eligibility, the term "not-for-profit hospital" means all health care delivery locations of a nonprofit entity licensed under state law that directly or indirectly operates one or more hospital facilities. USAC's current interpretation appears limited to only those brick and mortar facilities that house acute care beds. By supplying USAC with a clarified interpretation, the FCC would "provide the certainty necessary to allow health systems to move forward with the planning and design of their respective broadband networks."

CONGRESS REACHES DEAL ON VA REFORM LEGISLATION

On July 30, Congress finalized a deal on a Veterans Affairs ("VA") reform bill that expands access to private care for veterans and reimburses hospitals for providing care to veterans. The House overwhelmingly approved the bill 420-5 and the Senate approved the measure the following day 91-3.

The VA deal includes \$10 billion for veterans to access non-VA providers who live more than 40 miles from a VA hospital or have been waiting for an appointment for at least 30 days. It also expands telemedicine through its mobile veterans centers and mobile medical units. According to cost estimates, the funds are expected to last approximately one year. Once used, Congress will have to either pass emergency mandatory funding legislation or end access to private care for veterans. No health care-related cost offsets were included in the VA legislative deal.

NEW COMPLIANCE DATE ANNOUNCED FOR ICD-10

On July 31, CMS [issued a rule](#) finalizing October 1, 2015 as the new compliance date for health care providers to transition to ICD-10, the tenth revision of the International Classification of Diseases. The transition to ICD-10 is required for everyone covered by HIPAA. The change to ICD-10 does not affect CPT coding for outpatient procedures and physician services.

HOUSE COMMITTEE ADVANCES BILL EXTENDING DIRECT SUPERVISION ENFORCEMENT MORATORIUM

On July 30, the House Energy and Commerce committee voted to advance legislation ([H.R. 4067](#)) that would continue to delay a CMS rule that physicians must directly supervise outpatient therapy services offered in critical access and small rural hospitals. The bill would extend the delay until the end of 2014, which bill proponents say will give lawmakers time to draft new legislation regarding permanent supervision requirements.

The bill now moves to the full House. In February, the Senate approved [S. 1954](#), which is almost identical to H.R. 4067.

IOM CALL FOR GME REFORM

On July 29, the Institute of Medicine [released a report](#) that calls for an overhaul of government financing to train new doctors and rejects demands for increased funding of graduate medical education ("GME"). The report found that the predominately hospital-based focus of training is antiquated as recent trends see more care delivered on an outpatient basis.

In the report, the 21-member IOM panel also recommends that funding remain flat and divided between making payments for traditional residency training programs reforming the GME system into a hospital performance based payment system. Medicare is responsible for \$10 billion of the \$15 billion in annual GME funding. Some in Congress have complained about the geographic distribution of the funding, claiming urban hospitals receive a disproportionate share.

The IOM is an independent, non-governmental organization that often advises Congress and federal agencies on health policy issues.

Therefore, lawmakers would have to pass legislation in order to implement the IOM recommendations.

BILLS INTRODUCED THIS WEEK

Sen. Thad Cochran (R-MS) introduced legislation ([S. 2662](#)) that seeks to provide Medicare beneficiaries with greater access to telehealth technologies. The bill also seeks to extend telehealth coverage to all critical access and sole-community hospitals regardless of metropolitan status. The bill is a companion measure to H.R. 3306, which was introduced in the House last year.

Rep. Aaron Schock (R-IL) introduced a bill ([H.R. 5227](#)) that would enable hospital-based nursing programs that are affiliated with a hospital to maintain payments under the Medicare program to hospitals for the costs of such programs.

NEXT WEEK IN CONGRESS

The House and Senate begin their August district and state work period. In light of the congressional recess, *This Week in Washington* will resume regular publishing when lawmakers return the second week of September.

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