

## THIS WEEK IN WASHINGTON - JUNE 5, 2015

### Finance Committee Passes Bill Increasing Oversight of Medicare Audit Contractors

On June 3, the Senate Finance Committee passed a bill that would increase oversight of Medicare audit contractors and streamline appeals functions to expedite the Medicare appeals process. The measure would require CMS to establish incentives for auditors to ensure accuracy and allow multiple pending appeals with similar issues to be settled as a unit. The legislation would also require CMS to provide \$127 million to the agency's Office of Medicare Hearings and Appeals and Departmental Appeals Board annually to conduct reviews and establish decision-making positions for attorneys with Medicare statute expertise. Additionally, the bill incorporates an amendment to have HHS develop a process for auditors to notify providers of pending audits and requests for medical documentation.

The Congressional Budget Office estimates the bill will cost \$1.3 billion over ten years.

### Health Care Bills Advance in Ways and Means Committee

On June 2, the House Ways and Means Committee **approved** 10 bills targeting health law provisions. Among the legislation endorsed was a set of proposals to reform the Medicare Advantage program and repeal the Independent Payment Advisory Board.

The Committee also passed an amendment to the Protect Medical Innovation Act of 2015 (H.R. 160), which would repeal the 2.3 percent excise tax on medical devices and would be applied to device sales in calendar quarters beginning after the bill's enactment. Committee Democrats criticized the bill for its lack of offsets, which they say would add \$26 billion to the deficit over a decade.

In addition, the Committee approved a proposal to provide exceptions to the new long-term care hospital ("LTCH") development moratorium. Changes to the LTCH moratorium would be funded by decreasing outlier payments to the long-term care hospitals that care for the sickest patients.

The bills are expected to go the House floor during the third week of June.

### CMS Releases 2013 Payment Data for Hospitals and Physicians

On June 1, CMS **released** three new sets of data that show how much Medicare paid individual physicians and hospitals for inpatient and outpatient services in 2013.

The hospital data details what hospitals charged and the Medicare payments made to those hospitals for 30 of the most common outpatient procedures and 100 of the most common inpatient stays, which account for \$62 billion of Medicare funds. According to a CMS **fact sheet**, the cost of the most common hospital procedures have continued to grow at modest rates since the agency first started providing such data two years ago.

The physician data includes 950,000 physicians and other providers and about \$90 billion of Medicare money. CMS reported that the 10 specialties with the highest average Medicare-allowed amounts per provider also had the highest cost of administering drugs.

The agency will continue to release physician and hospital data annually.

### House Introduces *King v. Burwell* Response Bill

House Budget Committee Chairman Tom Price (R-GA) introduced a bill that is intended to be a potential alternative to the Affordable Care Act ("ACA") if the Supreme Court rules for the challengers in *King v. Burwell*.

The bill, H.R. 2650, would provide refundable tax credits for health insurance coverage with people over 50 years old getting the largest credit. It would also establish individual health pools for individuals and small employers. It would require insurers to cover people regardless of pre-existing conditions as long as the person had continuous coverage for 18 months prior to enrollment.

The bill would repeal several pieces of the ACA, including all of the insurance reforms in Title I, as well as all provisions related to health

savings accounts. The bill would apply in states without subsidies. States that still have subsidies would have the option of terminating their exchange and having this law apply.

## **Bills Introduced This Week**

Rep. Tim Murphy (R-PA) introduced a revised mental health care reform bill (H.R. 2646). The new measure focuses more on prevention, early intervention and implementation of the parity law.

Rep. Jim McDermott (D-WA) introduced a bill (H.R. 2614) that would amend Title XVIII of the Social Security Act to provide for an expert advisory panel regarding relative value scale process used under the Medicare physician fee schedule.

## **Next Week in Washington**

The House and Senate return on June 8. Both chambers will continue work on their annual appropriation bills. The Senate has more than 200 amendments in the queue for next week's continued defense authorization debate.

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