

## THIS WEEK IN WASHINGTON - JUNE 19, 2015

### MEDPAC RELEASES JUNE REPORT TO CONGRESS

On June 15, the Medicare Payment Advisory Commission ("MedPAC") released its [June 2015 Report to Congress](#). The MedPAC report makes recommendations regarding a new payment system for hospitals to the Congressional committees with jurisdiction over the Medicare program.

The report compares the cost that Medicare pays for short inpatient stays to similar outpatient stays and proposes a site-neutral payment to equalize payments across settings. MedPAC recommends that "site-neutral payment for surgeries be carved out of the inpatient hospital payment system ("IPPS") and outpatient hospital payment system ("OPPS") and moved into a separate payment system."

The MedPAC report highlights the reforms introduced in a 2014 Ways and Means Committee [discussion draft](#) that would create a new payment system for hospitals using the site-neutral payment solution.

### HOUSE REPEALS MEDICAL DEVICE TAX

On June 18, the House voted 280-140 to repeal the ACA's medical device tax. 46 Democrats supported the repeal of the 2.3 percent excise tax imposed by the ACA on medical device manufacturers. 41 Democrats had co-sponsored the measure, which the Congressional Budget Office projects will cost \$24.4 billion over a decade. While the votes may exist in the Senate to pass the House bill, President Obama has threatened to veto the legislation if it reaches his desk.

### APPROPRIATIONS SUBCOMMITTEE APPROVES LABOR-HHS SPENDING BILL

On June 17, a House Appropriations subcommittee approved legislation that provides funding for programs within the Health and Human Services Department. The bill includes \$153 billion to support medical research and biodefense as well as to improve accountability and efficiency in Social Security, Medicare and Medicaid services.

The bill would provide more funding than requested by President Obama for the Centers for Disease Control and Prevention and NIH but would also cut spending for HHS and the ACA. House Republicans rejected several Democratic amendments that proposed increasing funding for family planning and teen pregnancy prevention programs, the Agency for Healthcare Research and Quality and mental health professionals in schools.

The bill is expected to be marked up by the full Appropriations Committee next week.

### HOUSE COMMITTEES ASK FOR REVIEW OF CMS FRAUD PREVENTION SYSTEM

The House Energy and Commerce and Ways and Means Committees sent a bipartisan letter requesting a review of CMS's Fraud Prevention System ("FPS") to the Government Accountability Office ("GAO") on June 15. The FPS was enacted in 2011 to help find fraudulent Medicare payments.

Committee members asked the GAO to identify the types of fraudulent payments the system found and the number of actions taken against providers by CMS as a result of FPS. The members also asked if the system could be applied to Medicaid and the Children's Health Insurance Program.

In a [report](#) released last month, the GAO said that hundreds of providers and thousands of Medicaid beneficiaries were responsible for potentially fraudulent payments in 2011. On June 2, the GAO and CMS both provided testimony on waste and fraud in Medicaid during a [hearing](#) held by the House Subcommittee on Oversight and Investigations.

### BILLS INTRODUCED THIS WEEK

Rep. Paul Gosar (R-AZ) introduced a bill (H.R. 2819) that would repeal most parts of the ACA if the Supreme Court rules against the administration in *King v. Burwell*. Unlike recently unveiled plans by Republican House leadership that would temporarily restore ACA subsidies through 2016, H.R. 2819 does not include any extension of federal subsidies.

Rep. Ralph Lee Abraham (R-LA) introduced legislation (H.R. 2756) that proposes a series of insurance and tax provision reforms relating to

health care. The bill would apply health savings accounts to Medicaid and improve provider price transparency to ensure access to emergency services without excessive charges for out-of-network care.

Reps. Morgan Griffith (R-VA) introduced a bill (H.R. 2799) to improve the timeliness and quality of stroke diagnosis. The bipartisan bill expands access to stroke telemedicine treatment in Medicare. Sen. Mark Kirk (R-IL) introduced a companion bill (S.1465) in the Senate.

## **NEXT WEEK IN CONGRESS**

The anticipation to the Supreme Court's decision on *King v. Burwell* will continue to dominate the news. A decision could come as soon as Monday and is expected by the end of June. The House was scheduled this week to vote on repealing the ACA's Independent Payment Advisory Board ("IPAB"). However, the vote was delayed due to democrats objecting to the republicans' proposal to pay for IPAB repeal. The vote has been rescheduled for next week.

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