

## HALL RENDER'S THIS WEEK IN WASHINGTON - JULY 24, 2015

### WAYS AND MEANS SUBCOMMITTEE HOLDS HEARING ON MEDPAC RECOMMENDATIONS

On July 22, the Ways and Means Health Subcommittee held a hearing to discuss the recommendations on hospital payment and access to care issues made in a Medicare Payment Advisory Commission ("MedPAC") [report](#) to Congress in June.

Subcommittee Chairman Kevin Brady (R-TX) said the shift of services from hospital inpatient to outpatient facilities has reduced funding for programs linked to inpatient admissions. Brady indicated that Congress could preserve funding for these programs, such as the disproportionate share hospital and indirect medical education programs, by paying hospitals a lump sum instead of supplementary inpatient payments.

Reps. Brady and Jim McDermott (D-WA) also discussed MedPAC's recommendation to create site-neutral payments for inpatient and outpatient status. According to MedPAC, CMS pays up to an extra \$4,000 for cases in which there are discrepancies related to a beneficiary's status. Brady noted that President Obama's most recent budget proposal included a site-neutral payment policy for hospital outpatient settings.

In addition to site-neutral payments, the subcommittee discussed the Medicare graduate medical education ("GME") program. Rep. Brady announced that the subcommittee will hold a hearing on GME in the fall.

### CMS REPORT UPDATES MEDICARE HOSPITAL INSURANCE TRUST FUND PROJECTIONS

Also on July 22, CMS [released](#) the annual report for 2015 from the trustees of the Social Security and Medicare programs. The report projected that Medicare's hospital insurance (Part A) trust fund will run out of money in 2030, which is the same date that was projected in 2014. However, the trustees said the projection is more accurate this year because it reflects the law Congress passed in April repealing Medicare's sustainable growth rate and changing the way physicians are reimbursed.

The trustees said hospital insurance expenditures have exceeded income annually since 2008. However, the trustees project slight surpluses in 2015 through 2023, "with a return to deficits thereafter until the trust fund becomes depleted in 2030."

The report predicted that 70 percent of Medicare beneficiaries will not pay a higher premium in 2016 because there are no expected cost-of-living increases in Social Security benefits. The remaining 30 percent of enrollees, who include current beneficiaries who are directly billed for their premium or pay an income-based premium as well as people who do not receive Social Security or who enroll in Part B for the first time, would pay a higher premium. Decisions related to changes in premiums will be finalized in October.

### GRASSLEY ASKS SENATE FINANCE COMMITTEE FOR 340B HEARING

Sen. Chuck Grassley (R-IA) asked the Senate Finance Committee to hold a hearing on the 340B Drug Discount Program. The request comes on the heels of a July [GAO Report](#) that said there was a financial incentive for 340B hospitals to prescribe Medicare beneficiaries more expensive drugs than necessary and called for congressional intervention. The report found that in 2014, 45 percent of Medicare acute care hospitals were part of 340B. Sen. Grassley believes the high percentage of Medicare hospitals participating in the program has raised some questions.

### HEALTH-RELATED LEGISLATION INTRODUCED THIS WEEK

Sens. John Barrasso (R-WY) and Debbie Stabenow (D-MI) introduced the Seniors Mental Health Access Improvement Act to provide coverage for therapy and counseling services under Medicare Part B. The bill (S.1830) would increase seniors' access to marriage and family therapists and licensed professional counselors by lifting restrictions on certain mental health professionals that bar them from billing Medicare.

Sen. Lisa Murkowski (R-AK) introduced a bill (S.1849) to create a Medicare payment option for enrollees to freely contract with eligible non-participating providers for Medicare fee-for-service items and services without penalty. Beneficiaries who enter a contract with a non-participating provider will be allowed to use their Medicare benefits and submit a claim for payment for the services furnished.

Reps. Eliot Engel (D-NY) and Tom Reed (R-NY) introduced the Palliative Care and Hospice Education and Training Act (H.R. 3119) to fund

programs that provide palliative medicine training in hospice and other clinical settings. The act would expand the types of providers, including nurses and social workers, able to provide hospice care and would develop specific measures to evaluate the competency of trainees.

## **NEXT WEEK IN WASHINGTON**

The Senate will be in session through this weekend and will likely vote on an amendment to fully repeal the Affordable Care Act, which will fail, on July 26. The House returns on July 27 for its final legislative week of the summer session. The Ways and Means Health Subcommittee will hold a **hearing** on July 28 to discuss disparities in rural health care under Medicare regulations.

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