



## ML Strategies Update

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## Health Care Update

**CMS Releases Final Medicare Payment Rules:** The Centers for Medicare & Medicaid Services (CMS) released a trio of highly anticipated Medicare payment rules the afternoon of Friday, October 31<sup>st</sup>. The final payment rules, for [physicians](#), [hospital outpatient services](#), and [end-stage renal disease](#), lay out how Medicare will pay major health care providers and suppliers in 2015. The day before, CMS also released [changes](#) to the Medicare home health prospective payment system (HH PPS) for CY 2015. For HH PPS, CMS predicts there will be reduced by 0.30 percent, reflecting the effects of the 2.1 percent home health payment update percentage and the second year of the four-year phase-in of rebasing.

Among other things, stakeholders lauded the changes made to the physician payments rule, which includes added coverage for telemedicine services. The final rule adds seven additional telemedicine billing codes, including for psychotherapy, prolonged office visits, and annual wellness visits. The rule also includes language laid out in the proposal to pay for remote patient monitoring for chronic conditions. Prior to this, Medicare did not pay separately for these services, bundling this billing into “evaluation and management” codes. In all, CMS predicts that Medicare payments to telehealth originating site providers will grow by 0.8 percent in 2015. Further analysis of the telemedicine aspects of the final rule are outlined in ML Strategies alert, [Telehealth and Health IT Policy: Considerations for Stakeholders](#).

Additionally, CMS also finalized changes to several quality reporting initiatives, including the Physician Quality Reporting System, Medicare Electronic Health Records Incentive program and the Medicare Shared Savings Program (MSSP).

In announcing the rules, CMS Administrator Tavenner called the final regulations “part of the broader strategy driving greater value in health care,” saying that “by collaborating and building on best practices across the health care system, we can deliver the results of higher quality care and lower costs that consumers, providers, purchasers, and businesses deserve.”

### **Implementation of the Affordable Care Act**

**SHOP Debuts in Five States:** The Small Business Health Options Program (SHOP) Marketplace is now accessible to businesses in five states: Delaware, Illinois, Missouri, New Jersey and Ohio. The [Marketplace](#) seeks to support small businesses (which are defined as businesses with 50 or fewer full-time employees) that fund their employees' health care plans.

### **Other Federal Regulatory Initiatives**

**CMS Adds to Chronic Condition Warehouse:** CMS [announced](#) it is adding data links to the Chronic Condition Warehouse, to add additional functionality for research and quality improvement projects. New information will include linking patient data to Medicare and Medicaid claims, enrollment and eligibility information, nursing home and home health assessments, and CMS beneficiary surveys.

**BLS Projects Slower Health Costs:** The Bureau of Labor Statistics September [survey](#) found that insurance benefits for private industry grew 2.6 percent over a 12 month period compared to 2.7 percent the prior year.

**CRCP Launched to Ease Health Care Repayment:** CMS unveiled a new Commercial Repayment Center Portal (CRCP). [CRCP](#) is intended to help employers, insurers, and third parties electronically manage their Group Health Plan (GHP) recovery activities.

**DeSalvo Will Continue to Guide ONC:** Karen DeSalvo will soon be the Acting Assistant Secretary of Health; she will retain an active role at the Office of the National Coordinator for Health IT (ONC), per an agency [blog post](#). DeSalvo will continue to chair the Health IT Policy Committee and build the ONC's 10-year interoperability roadmap.

**CDC Updates Ebola Guidelines:** CDC revised its [guidelines](#) on what constitutes proper treatment and evaluation of people with exposure to Ebola. It said that people classified as "high risk" should isolate themselves; the only contact they should have is with public health officials who will assess their health daily. Public health officials would also monitor people classified as having "some risk" or "low risk."

### **Other Congressional Initiatives**

**House Committee Reopens Debate over the Rollout of HealthCare.gov:** The House Committee on Science, Space and Technology has [subpoenaed](#) former U.S. chief technology officer Todd Park to testify about his involvement in the rollout of HealthCare.gov. The Committee [reported](#) that it has emails in which Park may have misled the House Energy and Commerce Committee at a hearing last year.

**Bipartisan Senators Press FTC on Pay for Delay:** Senators Amy Klobuchar (D-MN) and Chuck Grassley (R-IA) [wrote](#) to the Federal Trade Commission requesting the prompt release of the agency's annual report summarizing agreements where brand-name drug companies pay generic drug companies to delay marketing lower cost generic drugs.

**Reps. Eshoo and Rogers Plug BARDA Funding:** Representatives Anna Eshoo (D-CA) and Mike Rogers (R-MI) [wrote](#) to the leadership of the House Appropriations Committee and the Subcommittee on Labor, HHS to request additional funding for the Biomedical Advance Research and Development Authority (BARDA). The letter, citing the Ebola crisis, asserts "only BARDA has the infrastructure to actually get a vaccine or drug prepared for use in this outbreak."

**21<sup>st</sup> Century Cures Continues in Texas:** As part of the House Energy and Commerce Committee's 21<sup>st</sup> Century Cures Initiative, Representatives Pete Olson (R-TX) and Gene Green (D-TX) hosted a [roundtable](#) on October 30<sup>th</sup> to discuss the cures initiative with top health professionals, innovators, and researchers at the Texas Medical Center.

**Details Emerge on Senate Approps Ebola Hearing:** The Senate Appropriations Committee's November 12<sup>th</sup> [hearing](#) on Ebola, originally scheduled for November 6<sup>th</sup>, will feature testimony from HHS Secretary Burwell, CDC Director Frieden, National Institute of Allergy and Infectious Diseases Director Fauci, Department of Homeland Security Secretary Johnson, State Department's Higginbottom, and Department of Defense's Lumpkin.

### **Other Health Care News**

**Talk of Price Controls for Expensive Drugs:** In a [letter](#) to the leaders of the Senate Finance and Health, Education, Labor, and Pensions Committees, The National Association of Medicaid Directors urged Congress to weigh the costs and benefits of setting price controls for expensive medications, such as those treating hepatitis C.

**Health Organizations Request More Funding:** A group of 100 health organizations [wrote](#) to Congress requesting additional funding for health centers, primary care training in Teaching Health Centers, and loan repayments in the National Health Service Corps. All of them received additional funding from the ACA, but that funding is set to expire at the end of Fiscal Year 2015.

**Clinical Decision Support Found to Improve Health Care:** A American Journal of Managed Care [study](#) found that the use of clinical decision support correlates with improvements in health care quality. It examined three types of clinical decision support: problem lists, preventative care reminders, and drug interaction warnings.

**Florida Updates Telemedicine Rules:** The Florida Board of Medicine adopted new [rules](#) which prohibit doctors from prescribing medications based only an electronic medical questionnaire. Though the rule means controlled substances cannot be prescribed, doctors can prescribe medicine to hospitalized patients.

**Upcoming Congressional Hearings and Markups**

*The Senate and House are in recess.*

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