



## ML Strategies Update

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## Health Care Update

### **Post-Acute Care Bill Passes, Sets Up Policymakers for Comprehensive Reform Effort:**

Last Thursday, September 18<sup>th</sup>, the U.S. Senate passed bipartisan legislation intended to lay the groundwork for comprehensive post-acute care reform. The [Improving Medicare Post-Acute Care Transformation Act of 2014](#) (IMPACT Act), had already passed the House on September 16, 2014 which means the President could sign the bill into law early this week.

The bill would enact data standardization across various post-acute care settings which could feed into various site-neutral and bundled payment initiatives. These initiatives could take a number of forms including independent legislation that targets the post-acute care sector, inclusion in broader payment reform efforts like the Medicare physician payment formula (SGR), and/or in efforts out of the Centers for Medicare and Medicaid Services (CMS) via demonstration authority. As we have noted in the past, post-acute care remains one of the top areas where health policy experts anticipate promising Congressional action this and next year. For example, post-acute care has been a priority for Senate Finance Committee Chairman Ron Wyden and is an area ripe for significant delivery and payment reforms.

**Lawmakers still Focusing on SGR During “Lame Duck:”** Amid discussions of what Congress will prioritize in the lame duck session following the November elections, Senate and House lawmakers are reportedly hoping to pass a permanent solution to the Medicare physician payment formula, also known as the “SGR” or “Doc Fix.” Looking to vehicles such as tax extenders or an omnibus spending bill, policymakers still must determine how to pay for reforming the SGR. While stakeholders and experts remain skeptical that such an effort would be successful, lawmakers are pulling out all the stops to engage industry to support a potential SGR fix this year. The current temporary extension of the SGR patch continues through March 2015. For more coverage on the lame duck session, ML Strategies has prepared a *Lame Duck Preview* alert on what to expect during a lame duck, please click [here](#).

### Implementation of the Affordable Care Act

**CMS Plan Cancellation Data:** CMS [announced](#) that approximately 115,000 people could lose coverage by the end of September if they do not provide verification of their citizenship status. These individuals will be receiving notices that their last day of coverage is September 30<sup>th</sup>.

**ACA Payment Models Delivering Savings:** The Department of Health and Human Services (HHS) [announced](#) that the 23 ACOs participating in the Pioneer ACO Model and the 220 ACOs participating in the Medicare Shared Savings Program generated over \$372 million in total program savings.

### Other Federal Regulatory Initiatives

**Antibiotic Executive Order:** The President signed an [executive order](#) putting in place a plan to combat antibiotic-resistant bacteria. The plan creates a Task Force for Combating Antibiotic-Resistant Bacteria and offers a \$20 million prize for tests to identify resistance.

**Health Care Delivery Blog Post:** HHS Secretary Sylvia Burwell wrote a [blog post](#) about “improving the quality of health care we receive, while spending our dollars more wisely.” The post highlights the Administration’s progress, including saving taxpayers \$116 billion from 2009 to 2012.

**ONC Brief on Access to EHRs:** The Office of the National Coordinator for Health Information Technology (ONC) released a [data brief](#) finding that only 30 percent of patients are offered access to their online medical records. Of those offered access, 54 percent did not access their records.

**Surveys Finds Uninsured Rates Declined:** The Centers for Disease Control and Prevention’s (CDC) National Health Interview [Survey](#) found that the number of uninsured in the country fell from 20.4 percent to 18.4 percent in the first quarter of 2014. According to the Census’ Health Insurance Coverage [report](#), 42 million, or 13.4 percent, of the U.S. population did not have health insurance for the entire year of 2013.

**Public Health Officers to Liberia:** The U.S. Public Health Service Commissioned Corps is [preparing](#) to deploy specialized public health officers to Liberia. The workers will manage and staff a U.S. Department of Defense hospital to care for health care workers with Ebola.

**GAO Report on Healthcare.gov Security:** The Government Accountability Office (GAO) released a [report](#) saying that, while CMS has taken steps to protect and improve the security and privacy of Healthcare.gov, the agency has not yet fully mitigated all the threats faced.

**MA Enrollment Peaks:** CMS [announced](#) that Medicare Advantage (MA) enrollment is projected to increase to a new all-time high, with the “vast majority of MA enrollees will face little or no premium increase for next year with 61 percent of beneficiaries not seeing any premium increase at all.”

**IRA Finalizes Write-Off Limit:** The Internal Revenue Service (IRS) finalized a [regulation](#) to set a half million dollar cap on deductions that large insurance companies may seek for executive pay.

### Other Congressional and State Initiatives

**Flex-IT Act Introduced:** Representatives Renee Ellmers (R-NC) and Jim Matheson (D-UT) [introduced](#) the Flexibility in Health IT Reporting Act, or Flex-IT, (H.R. 5481). The bill would allow providers a three month EHR reporting period to demonstrate 2015 meaningful use. Under current law, the reporting period lasts 12 months.

**Senate Aging Examines Telehealth:** The Senate Special Aging Committee met for a [hearing](#) to discuss ways in which to promote and expand the use of telehealth. Among other things, panelists representing Federal agencies, industry, and stakeholder groups discussed licensure, reimbursement, and how to define telehealth.

**Senate Finance CHIP Hearing:** The Senate Finance Subcommittee on Health held a [hearing](#) to explore the future of the Children’s Health Insurance Program (CHIP). Senator Rockefeller, Chairman of the Subcommittee, said that states and the American people are relying on Congress to extend funding for the program.

**Sunscreen Innovation Act Approved:** In a unanimous voice vote, the Senate Health, Education, Labor, and Pensions Committee [approved](#) the Sunscreen Innovation Act (S. 2141). The bill passed the full Senate on September 17<sup>th</sup>.

**Mental Health and Suicide Prevention Hearing:** The House Energy and Commerce Subcommittee on Oversight and Investigations held a [hearing](#) to examine mental health and suicide prevention. The hearing is part of the Subcommittee's ongoing examination of mental health programs and resources.

**House Small Business SHOP Hearing:** The House Small Business Subcommittee on Health and Technology met to [discuss](#) the impact of Small Business Health Options Program (SHOP) for small businesses. Subcommittee Chairman Chris Collins (R-NY) criticized the lack of enrollment data for the program.

**House Oversight Presses CMS on Security:** The House Oversight and Government Reform Committee grilled witnesses from CMS and GAO on the security of Healthcare.gov. The [hearing](#) was called in response to a recent GAO report which shed light on CMS failures to secure data from the threat of a cybersecurity attack.

**House Passes Medical Device Repeal:** On September 18<sup>th</sup>, the House [voted](#) 253 to 163 to approve the Jobs for America Act (H.R. 4), which included a repeal of the medical device tax.

**Reps Urge HIPAA Update for Apps:** Representatives Tom Marino (R-PA) and Peter DeFazio (D-OR) [wrote](#) to HHS requesting the Administration provide clarity on HIPAA compliance for companies making mobile health apps.

**House E&C Explores Antibiotic Resistance:** The House Energy and Commerce Subcommittee on Health held a [hearing](#) to examine ways to combat ongoing drug resistant health threats, including how to build on progress made by the Generating Antibiotics Now (GAIN) Act.

#### **Other Health Care News**

**Groups Press HHS on Meaningful Use:** A group of 17 health stakeholders, including the American Medical Association, American Hospital Association, and the Healthcare Information and Management Systems Society, [wrote](#) to HHS Secretary Burwell requesting the agency "provide a shortened, 90-day EHR reporting period in 2015."

#### **Upcoming Congressional Hearings and Markups**

*The Senate and House and in Recess.*

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