

HALL RENDER'S THIS WEEK IN WASHINGTON - MAY 19, 2017

SENATE FINANCE COMMITTEE ADVANCES TELEMEDICINE BILL

On May 18, the Senate Finance Committee passed the bipartisan CHRONIC Care Act ([S. 870](#)), which contains a number of telemedicine-related provisions. The measure allows Medicare to pay for remote stroke diagnosis and treatment, ACOs to provide telemedicine and Medicare Advantage plans to offer telemedicine as a supplemental benefit, as well as fund home dialysis treatment through telemedicine.

While the telemedicine-related provisions would increase Medicare spending by \$150 million over 10 years according to a Congressional Budget Office ("CBO") score, other offset provisions in the bill make it revenue neutral. The last public CBO score of telemedicine was in 2001 when Congress created 1834(m) to allow Medicare to pay for live telemedicine interactions for rural patients in health care settings. The fate of S. 870 is unclear on the House side as Republicans and HHS Secretary Tom Price seek to address Medicare payment issues in the face of spending concerns that could be a roadblock.

SENATE BILL WOULD LIFT BAN ON EXPANSION OF PHYSICIAN-OWNED HOSPITALS

Sen. James Lankford (R-OK) introduced a legislation this week ([S. 1133](#)) that would repeal section 6001 of the Affordable Care Act ("ACA") that bans new construction of physician-owned hospitals. It also repeals a part of the ACA that limits the ability of physician-owned hospitals to expand. The bill was referred to the Senate Finance Committee. Companion legislation ([H.R. 1156](#)) was introduced in the House earlier this Congress by Rep. Sam Johnson (R-TX).

HHS DELAYS CHANGES TO 340B, BUNDLED PAYMENT PROGRAMS

On May 18, HHS postponed changes to the 340B Drug Program. According to the [final rule](#) published by the Health Resources and Services Administration, the new parameters, which set forth the calculation of the ceiling price and detailed how civil monetary penalties would be imposed, will now start on October 1, 2017. The changes had been scheduled to take effect January 5, 2017 but were delayed to May 22, 2017 in light of the regulatory freeze memo issued by the Trump administration in January.

On May 18, CMS also [announced](#) it will further delay the start date for the expansion of the Comprehensive Care for Joint Replacement payment model. The notice delays the start of payment models for knee and hip replacements and cardiac care until January 1, 2018.

LEGISLATION SEEKS TO EXPAND REIMBURSEMENT FOR SUBSTANCE ABUSE

On May 17, a bipartisan bill was introduced in the Senate that would allow substance abuse treatment centers with up to 40 beds to be reimbursed by Medicaid for up to 60 days. The legislation, known as the Institutes for Mental Diseases ("IMD") exclusion, would unwind a law prohibiting Medicaid from reimbursing patient care at facilities with more than 16 beds.

The bill was introduced by Sens. Rob Portman (R-OH), Shelley Moore Capito (R-WV) and Dick Durbin (D-IL), among others. Under the bill, Medicaid would only reimburse credentialed facilities treating patients specifically for substance abuse. Similar IMD legislation was shopped last Congress, but the cost of repealing the current law was estimated to be \$40 to \$60 billion by the CBO.

HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Sen. Charles Grassley (R-IA) introduced a bill that seeks to create a new Rural Emergency Hospital classification under Medicare. Under the proposed legislation, the hospital would not have to maintain a minimum number of inpatient beds but would be required to have an emergency room and outpatient services. Under the new classification, it would be required to maintain protocols to rapidly expedite patients to larger facilities if necessary.

Rep. Paul Tonko (D-NY) introduced a bill ([H.R. 2509](#)) to amend Title XVIII of the Social Security Act to eliminate the 190-day lifetime limit on inpatient psychiatric hospital services under Medicare.

Rep. Erik Paulsen (R-MN) introduced a bill ([H.R. 2503](#)) that seeks to promote health care technology innovation and access to medical devices and services for which patients choose to self-pay under Medicare.

Rep. Richard Hudson (R-NC) introduced a bill ([H.R. 2483](#)) to amend the Federal Food, Drug and Cosmetic Act to provide for the establishment

of a third-party system assessment program for medical devices.

Sen. James Lankford (R-OK) introduced a bill to repeal changes made by health care reform laws to Medicare exception.

NEXT WEEK IN WASHINGTON

The CBO **announced** it will release a score of the House-passed ACA repeal bill on Wednesday afternoon. This is important because the Senate parliamentarian can't review the legislation and Senate Republicans cannot move their health care reform bill until CBO scoring is complete. The CBO score will include revised projections of insurance coverage losses over a decade.

The full House Energy and Commerce ("E&C") Committee plans to mark up the FDA user fee reauthorization bill next week. On May 18, the E&C Health Subcommittee marked up the bill along with four noncontroversial amendments.

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