

## HALL RENDER'S THIS WEEK IN WASHINGTON - AUGUST 4, 2017

### CMS ISSUES 2018 HOSPITAL PAYMENT RULE

On August 2, CMS announced the fiscal year ("FY") 2018 Medicare Inpatient Prospective Payment System and Long-Term Care Hospital ("LTCH") Prospective Payment System final rule, which will provide acute care hospitals with a total increase in Medicare spending on inpatient hospital payments of \$2.4 billion in FY 2018. The payment updates and policy changes will apply to approximately 3,300 acute care hospitals and 420 LTCHs when patients are discharged from hospitals from October 1, 2017 to September 30, 2018.

Also in the final rule, CMS announced it is increasing the amount of uncompensated care payments made to acute care hospitals by \$800 million to approximately \$6.8 billion for FY 2018. That total is almost a \$1 billion increase from FY 2017. CMS will allow hospitals to report on a modified version of meaningful use Stage 2 in 2018, as well as shortening the meaningful use reporting period for FY 2018 to 90 days.

CMS also projects that payments to LTCHs would decrease by roughly 2.4 percent or \$110 million in FY 2018. That's smaller than the \$363 million cut they received this fiscal year.

### SENATE PASSES FDA REAUTHORIZATION BILL

On August 3, the Senate approved a five-year reauthorization of the FDA's user fee programs. Senate leaders agreed to pass a clean version of the bill the House passed earlier this summer (H.R.2430). The bill, which has been the product of over a year of negotiations between the FDA and House and Senate Committee staff, now heads to the president's desk to be signed into law.

The new five-year agreement will run from October 1, 2018 to September 30, 2022. The law enables the FDA to collect over \$1 billion in user fees from the prescription drug and medical device industry. The law also addresses the FDA's digital health work and expanded use of electronic health records for oversight of drugs and devices.

### CMS ISSUES 2018 PAYMENT UPDATES FOR SNF, IRF AND HOSPICE

On July 31 and August 1, CMS issued three final rules detailing 2018 Medicare payment rates for skilled nursing facilities ("SNF"), hospice and inpatient rehabilitation facilities ("IRF"). The final rules are effective for FY 2018. As statutorily required by the Medicare Access and Children's Health Insurance Program ("CHIP") Reauthorization Act of 2015, the final rule increases Medicare payment rates for skilled nursing, inpatient rehab and hospice facilities by 1.0 percent for FY 18. The rules will take effect October 1, 2018. Click the following links to access fact sheets on the [SNF](#), [IRF](#) and [hospice](#) payment rules.

### HEALTH-RELATED BILLS INTRODUCED THIS WEEK

On August 1, Rep. Lynn Jenkins (R-KS) introduced a bill (H.R. 3635) intended to improve the process where Medicare administrative contractors issue local coverage determinations under Medicare.

Sen. Pat Roberts (R-KS) introduced a bill (S. 1729) to provide for independent accreditation of dialysis facilities. The bill is a companion to a house measure (H.R. 3166) that passed the House as part of the Medicare Part B Improvement Act of 2017.

### NEXT WEEK IN WASHINGTON

The Senate has adjourned for the remainder of August. Both the House and Senate will remain out of session until after Labor Day. Upon returning to Washington on September 5, the House and Senate will have 12 and 17 legislative days, respectively, to deal with "must pass" legislation. Federal government funding and the CHIP Reauthorization Act both expire on September 30. The federal debt ceiling may also need to be raised by the end of September.

The Senate will also undertake developing stabilization legislation that could include one-year of funding for the ACA subsidy payments. Whether Senate Republicans make another effort to repeal the ACA is unclear. In light of the congressional recess, *This Week in Washington* will suspend publication and resume when members return.

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