

HALL RENDER'S THIS WEEK IN WASHINGTON - DECEMBER 20, 2013

BIPARTISAN STARK LAW CORRECTION BILL INTRODUCED

On Monday, Rep. Charles Boustany (R-LA) and Rep. Ron Kind (D-WI) introduced [H.R. 3776](#), a bill to correct the disproportionate penalties a hospital can incur under the Stark Law for having an unwritten, unsigned or lapsed agreement that is otherwise compliant with federal fraud and abuse law. The Hall Render-supported measure would limit the penalty to \$5,000 if one of these violations is disclosed within one year of the date of noncompliance. A violation disclosed more than one year from the date of noncompliance would be limited to a penalty of \$10,000. The proposal would also create a streamlined process for disclosure and resolution at CMS within 90 days. Industry analysis has shown the measure could generate almost \$1.2 billion in new revenue over a 10-year period. The bill was referred to the House Energy and Commerce and Ways and Means health subcommittees.

SENATE PASSES BUDGET DEAL

On December 18, the Senate passed the House-passed budget plan ([H.J. Res 59](#)) that offers a three-month extension from Medicare physician payment reductions. The three-month "doc fix" averts a 21% cut in Medicare physician payments that would have kicked in January 1, 2014 under the Sustainable Growth Rate ("SGR") Formula. The \$7.3 billion cost of the measure will be paid for through adjusted reductions in Medicaid payments to hospitals and a two-year extension of the Medicare sequester to FY 2023. Congress hopes to permanently repeal and replace the SGR before this patch expires in late March.

FINANCE COMMITTEE PASSES AMENDMENTS THAT INCREASE COST OF SGR REPEAL LEGISLATION

Prior to passing the SGR-repeal and replace legislation late last week, the Senate Finance Committee approved seven amendments that will increase the overall cost of the proposal. One amendment, sponsored by Sen. Charles Grassley (R-IA), increases Medicare payments for only those doctors who practice rural areas. By contrast, the proposal passed by the House Ways and Means Committee would increase Medicare pay by 0.5% for all doctors. The committee also adopted an amendment to permanently extend the Medicare Dependent Hospital and Low-Volume Hospital programs and another that would create a Medicare demonstration program on remote patient monitoring. Only 7 out of the 137 offered amendments were passed by the committee.

MEDPAC CONSIDERS 2015 PAYMENTS FOR POST-ACUTE CARE

On December 13, the Medicare Payment Advisory Commission ("MedPAC") considered draft recommendations to Congress that would freeze payments for long-term care hospitals, inpatient rehabilitation facilities and home health providers under Medicare prospective payment systems for 2015. MedPAC also considered a package of draft recommendations that would affect the inpatient, outpatient and long-term care hospital prospective payment systems. The various recommendations could change before the commission votes on them in January. The final recommendations will be included in MedPAC's March 2014 report to Congress.

SENATE NEWBORN SCREENING AND POISON CONTROL BILLS ADVANCE IN SENATE

On December 18, the Senate Health, Education, Labor and Pensions Committee advanced a measure extending and revising a grant program for newborn screening services ([S. 1417](#)) and a bill reauthorizing the poison control centers ([S. 1719](#)). Last week, the House Energy and Commerce Committee passed a nearly identical poison control bill ([H.R. 3527](#)) but delayed voting on the newborn screening legislation.

PCORI FUNDS NEW NATIONAL DATA NETWORK, MORE RESEARCH

On December 17, the Patient Centered Outcomes Research Institute ("PCORI") [awarded](#) \$93.5 million in funding to support patient-centered comparative effectiveness research. The awards will fund 11 clinical research networks, involving clinics, hospitals and health systems, as well as 18 "patient-powered" networks of patient groups and their partners to target specific conditions.

The institute, which was charged with furthering comparative effectiveness research by the federal health care law, also announced \$97.3 million for 53 CER projects. Since last year, PCORI has [awarded](#) \$464.4 million to support 279 projects.

OTHER BILLS INTRODUCED THIS WEEK

[S. 1860](#): Sen. Dean Heller (R-NV) introduced a bill to reform the medical liability system as well as improve access to health care for rural

and indigent patients. The bill was referred to the Committee on Finance.

S. 1849: Sen. Lamar Alexander (R-TN) introduced a bill that would amend the Affordable Care Act to provide for a fixed annual open enrollment period.

NEXT WEEK IN WASHINGTON

The Senate is expected to remain in session throughout the weekend to vote on judicial nominations. Once those votes conclude, both chambers will be on recess until January 7, 2014.

This Week in Washington will not be published during the congressional recess but will return on January 10, 2014.

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Please visit the Hall Render Blog at <http://blogs.hallrender.com> for more information on topics related to health care law.