

## HALL RENDER'S THIS WEEK IN WASHINGTON - APRIL 17, 2015

### SENATE PASSES, PRESIDENT SIGNS SGR REPLACEMENT LEGISLATION

On Thursday, April 16, President Obama signed H.R. 2, the SGR repeal and replacement bill, into law. The President's signing ceremony comes two days after the U.S. Senate passed the SGR replacement legislation by a 92-8 vote. The measure, which repeals the sustainable growth rate formula for paying doctors, passed the House by a 392-37 vote on March 26.

Congress passed 17 temporary payment patches since 2003 to override the effects of the SGR, which was originally enacted as part of the Balanced Budget Act of 1997. In addition to replacing the SGR, the law sets up a new two-track payment system that's designed to encourage doctors to shift more of their patients into risk-based payment models. Doctors who qualify for the alternative payment track will receive higher reimbursement rates starting in 2019. About one-third of the more than \$200 billion package was offset by corresponding spending reductions. Those cuts were split roughly evenly between financial hits to providers and increased costs for wealthier Medicare beneficiaries.

### CMS RELEASES HOSPITAL COMPARE STAR RATINGS

Also on Thursday, CMS **introduced** the first Hospital Compare star ratings. The five-star rating system is intended to help consumers compare and choose among hospitals.

The Hospital Compare star ratings relate to patient experience of care at almost 3,500 Medicare-certified acute care hospitals. Of the 3,500 hospitals, only 251 received the highest ranking of five stars and only 101 received the lowest ranking of one star.

The ratings evaluate hospitals on 11 measures of performance and one composite summary rating. Measures include how well nurses and doctors communicate with patients, how clean and quiet hospital environments are and how well patients are prepared for follow-up care after discharge.

CMS will update the star ratings on a quarterly basis. The first public reporting of the Hospital Compare star ratings is based on patients discharged between July 1, 2013 and June 30, 2014. Hospital Compare star ratings, including the star ratings level thresholds, will be recalculated for each public reporting. CMS has been using the star ratings since 2008 and developed similar five-star rating systems for nursing homes, physicians, home health and Medicare Advantage plans.

### CMS PROPOSES SNF PAYMENT RULE

On Wednesday, April 15, CMS released a **proposed rule** setting 2016 payment rates for skilled nursing facilities ("SNFs"). According to the proposed rule, Medicare payments for SNFs would increase by 1.4 percent beginning October 1, 2015. The rule also would establish a new quality reporting system for SNFs as called for in the Improving Medicare Post-Acute Care Transformation Act of 2014. It would also establish a SNF "all-cause all-condition hospital readmission measure" to be used in a new SNF value-based purchasing program. The rule updates requirements for a long-term care facility must meet to qualify as a SNF in Medicare or a nursing facility in Medicaid as well. CMS estimates the overall impact of the rule would boost SNF payments by \$500 million in 2016.

### CMS PROPOSES EXTENDING MEDICAID ELIGIBILITY FUNDING

On Tuesday, April 14, CMS proposed a **rule** that would indefinitely extend the federal government's 90 percent funding for states to improve their Medicaid eligibility and enrollment systems. The proposal would also extend indefinitely the government-enhanced contribution of 75 percent of costs for maintenance and operations activities. The rule proposes changes to the standards and conditions that Medicaid systems must meet to qualify for the continued funding.

### BILLS INTRODUCED THIS WEEK

Rep. Lynn Jenkins (R-KA) introduced a bill to enable hospital-based nursing programs that are affiliated with a hospital to maintain payments under the Medicare program to hospitals.

Rep. Larry Bucshon, M.D. (R-IN) introduced a bill (H.R. 1784) intended to ensure that health care patients receive accurate health care information by prohibiting misleading and deceptive advertising or representation in the provision of health care services. The bill would

also require the identification of the license of health care professionals.

## **NEXT WEEK IN WASHINGTON**

The House and Senate return early next week. A Senate Commerce subcommittee will hold a hearing on Tuesday, April 21, to examine the progress made by the private sector and government entities in expanding the benefits of telehealth nationwide, particularly in rural areas.

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