THIS WEEK IN WASHINGTON – DECEMBER 6, 2013

HOUSE AND SENATE LIKELY TO MARK UP SGR BILLS
Both the Senate Finance Committee and House Ways and Means Committee tentatively announced they will mark up legislation to repeal and replace the Sustainable Growth Rate (“SGR”) formula before Congress leaves for Christmas break next week. If the Ways and Means Committee does mark up the legislation, there is an outside chance the full House will vote on it prior to the Christmas recess.

Since the Senate bill is not likely to reach the floor until after the holiday break, Congress is likely to pass another short-term patch of one-to-three months. If lawmakers fail to act, Medicare physicians would see a 20.1% pay cut starting in 2014. With a three-month delay likely costing over $4 billion, it is unclear how Congress would pay for this latest “doc fix.” One possible “pay-for” being discussed among Capitol Hill staff is an extension to 2023 of the Affordable Care Act’s Medicaid DSH cut.

CMS RELEASES 2014 HOSPITAL OUTPATIENT AND ASC PAYMENT RULE
On November 27, CMS released a final calendar year (“CY”) 2014 hospital outpatient and ambulatory surgical center payment rule. The CY 2014 final rule increases overall payments for hospital outpatient departments by an estimated 1.7%. The increase is based on a projected hospital inflation rate for goods and services of 2.5%, minus a 0.5% productivity adjustment and a 0.3% adjustment required by statute.

The rule also replaces the current five levels of hospital clinic visit codes for both new and established patients with a single code describing all outpatient clinic visits. The current five levels of outpatient visit codes are designed to distinguish differences in physician work.

The final rule with comment period will appear in the December 10, 2013 Federal Register. The due date for comments is January 27, 2014.

CMS FINALIZES PHYSICIAN PAYMENT RATES FOR 2014
On November 27, CMS issued the final physician policy and payment rule for CY 2014. The rule sets payment rates for physicians and non-physicians paid under the Medicare Physician Fee Schedule for 2014 and addresses the policies included in the proposed rule issued in July. CMS projects that total payments under the fee schedule in 2014 will be approximately $87 billion.

The rule seeks to expand access to primary care physicians by providing payment for chronic care coordination services beginning in 2015. Specifically, Medicare will make separate payment for non-face-to-face chronic care management services for Medicare beneficiaries. The final rule can be viewed at the Federal Register. CMS will accept comments on the final rule until January 27, 2014.

BILLs INTRODUCED THIS WEEK
H.R. 3633: Rep. Tim Walberg (R-MI) introduced a bill that would prevent the Department of Labor’s Office of Federal Contract Compliance Programs (“OFCCP”) from exercising jurisdiction over health care providers through executive rulemaking. According to the bill’s sponsor, the bill is intended to protect hospitals from OFCCP’s efforts to expand their jurisdiction over health providers.

H.R. 3688: Rep. Daniel Kildee (D-MI) introduced a bill to amend Medicare, Medicaid, and SCHIP Extension Act of 2007 to make permanent the exemption of grandfathered long-term care hospitals from the Medicare 25% threshold payment adjustment.

NEXT WEEK IN WASHINGTON
The House and Senate return next week and will attempt to finalize a budget deal that would establish government spending levels for 2014 and break the cycle of governing by fiscal cliffs and crises. A short term doc fix is likely to be included in any budget deal that arises. If the budget negotiators fail to reach an agreement, expect the House to pass a continuing resolution to fund the government at sequester levels through early next year.

For more information, please contact John F. Williams, III at 317.977.1462 or jwilliams@hallrender.com.

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