

THIS WEEK IN WASHINGTON - DECEMBER 21, 2012

FISCAL CLIFF UPDATE

Late last night, House Speaker John Boehner (R-OH) canceled the vote on his "Plan B" alternative to avoid part of the fiscal cliff set to take effect on January 1. Given the stalemate in negotiations, Congress is leaving town for the Christmas holiday and will reconvene on December 27. Despite the setback, Boehner said this morning that he will continue to negotiate through the weekend with President Obama. Other alternatives for avoiding the year-end fiscal cliff are a proposal put forth by Obama and Senate Majority Leader Harry Reid (D-NV) or a Boehner-Reid deal that Obama signs into law. However, neither of these alternatives has emerged.

The best option for avoiding the fiscal cliff still remains an Obama-Boehner negotiated deal known as "Plan A." At this point in the "Plan A" negotiations, the two appear to have largely settled their policy differences and are now arguing over the dollar amount of tax rate increases and entitlement cuts. However, the fate of any "Plan A" deal lies in Boehner's ability to garner enough support for passage from his fellow House Republicans.

When Hall Render Federal Advocacy attorney John Williams asked a Republican Congressman and close Boehner ally this week about the chances of a "Plan A" deal passing the House before the end of the year, the Congressman replied, "I just don't know how we get there from here." The more Boehner "gives away" to Obama, the fewer Republican votes he can count on in the House. Consequently, if any "Plan A" deal is reached, Boehner will have to rely on Obama to deliver enough House Democrat votes to reach the 218 needed to win passage.

HHS ALERTS PHYSICIANS OF PAYMENT CUT NOTICE

On December 19, the Obama Administration mailed notices to more than one million physicians telling them their Medicare payment rate will be cut by 27% if Congress fails to correct the Sustainable Growth Rate ("SGR") formula. However, the HHS notice also advises doctors they won't see the payment cut as long as Congress finds a solution to the so-called "doc fix" by mid-January. The Administration proposed a one-year fix in its latest offer to avoid the fiscal cliff but didn't say how it would be paid for. Meanwhile, House Republicans are preparing a two-year fix they plan to bring to the floor as a stand-alone bill before the end of the year. Republicans are looking at payment cuts to skilled nursing facilities and reducing the reimbursement rate for hospital E&M services as a way to pay for most of the \$50 billion measure.

HOUSE PASSES CHILDREN'S HOSPITAL GME BILL

On December 19, the House passed legislation reauthorizing the children's hospital graduate medical education program ("CHGME"). The House passed measure reauthorizes through fiscal year 2017 federal payments to children's hospitals that operate graduate medical education programs. Congress funded the CHGME program at \$330 million, which is the original funding level. The amended measure (S. 1440) returned to the Senate where it is currently being held up by a single member from passage.

According to the [House Energy and Commerce Committee](#), S. 1440 "reauthorizes the Children's Hospital GME program that provides funds to train pediatric medical residents and allows the National Institutes of Health to fund pediatric research networks comprised of a consortium of cooperating institutions that will strengthen research efforts on conditions and diseases affecting children."

PCORI ANNOUNCES FIRST CYCLE OF GRANT AWARDS

On December 18, the Patient Centered Outcomes Research Institute ("PCORI") announced its first [25 grant awards](#) for comparative effectiveness research. The total funding for the 25 grant awards is more than \$40 million over the next three years. The funds will be divided among the 25 proposals. Details on future funding cycles are provided in the PCORI website's [funding opportunities section](#). PCORI was created through the health care reform law to conduct comparative clinical effectiveness research.

LEGISLATION INTRODUCED THIS WEEK

There was no health care-related legislation introduced this week.

NEXT WEEK

The House and Senate will reconvene for legislative business on December 27. There are no health care-related bills or hearings on the calendar in either body.

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