

HOSPITAL IMPROVEMENTS FOR PAYMENT: OPPORTUNITY TO COMMENT

On Wednesday, November 19, the House Ways and Means Subcommittee on Health **released** draft legislation intended to improve hospital issues in the Medicare system. The legislation addresses Medicare's controversial "two-midnight" rule, short inpatient stays, outpatient observation status, the RAC audit program and the appeals process.

While the legislative draft is subject to change following a public comment period, the measure, as released, represents a preview of the 2015 agenda for House Republicans with respect to Medicare policies for hospitals. Much of the draft language could be included in the next Sustainable Growth Rate package, which is expected to be passed before the current "doc fix" expires on March 31, 2015. While the draft bill has not yet been scored by the Congressional Budget Office, it is expected to have broad Republican and some Democrat support.

Title I of the legislation addresses nine specific issues, including: repeal of the two-midnights payment reduction; a new hospital prospective payment system; the development of a new per diem rate for short lengths of stay; and a continued moratorium of the auditing of hospital inpatient short stays through the end of FY 2015. It also establishes smaller RAC commission fees for voluntarily settled claims that were initially denied.

Title II of the draft legislation contains 19 prioritized legislative goals, including: repeal of the Affordable Care Act's moratorium on physician-owned hospitals; expanding access to Medicare data; and relief to critical access hospitals ("CAHs").

Public comments should be sent to: HDDWAMR@mail.house.gov.

If you have questions regarding the draft legislation or the submission of comments please contact John Williams at jwilliams@hallrender.com