



AMERICA'S ESSENTIAL HOSPITALS

2015: Policy & Advocacy Year in Review

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AGENDA

- Capitol Hill 2015
- Policy 2015
- Current Issues and 2016 Priorities
- Forecasting 2016
- Questions



Capitol Hill 2015



2015 HIGHLIGHTS (AND LOWLIGHTS)

- **April – Repeal of the SGR**
 - » Includes FY 2017 Medicaid DSH Cut Delay
 - Cuts now delayed by 4 years (2014-2018)
 - Deleted \$8 billion in cuts between 2014 and 2020
- **May – House Passage of “21st Century Cures”**
 - » Committee draft briefly included 340B provisions – removed after successful lobbying campaign
- **June – Supreme Court Decision**
 - » Subsidies are available in all states
- **November – Bipartisan Budget Act**
 - » Prospective Site-Neutral Cuts



SITE NEUTRAL PAYMENTS

- **Bipartisan Budget Act of 2015** included a provision to make payments in off-campus HOPDs site neutral.
 - » Payment reduction of as much as 50 percent
 - » Some exceptions, include off-campus HOPDs billing Medicare on or before Nov. 2.
- Seeking fixes:
 - » Grandfather in progress facilities, and
 - » Exception to clinics that are:
 - Located in a high-score HPSA or MUA
 - Provide disproportionate access to low-income populations as demonstrated by a 40 percent LIUR or higher.



ON THE HILL NOW

Fiscal Year 2016 Omnibus and Tax Extenders Bills

- Increased funding for NIH, FDA, CDC, SAMHSA
- Delays ACA Taxes: “Cadillac Tax,” Medical Device Tax
- House Set to vote tomorrow – Senate to follow
- Short-Term CR runs through Dec. 22

Potential Help on Site Neutral?

- Green-McDermott / Wyden legislation
- Uses Meaningful Use bill as a base
- Would grandfather in new clinics that, as of Nov. 3,:
 1. Had completed architectural plans
 2. Had applied for or received zoning compliance
 3. Had applied for or received “necessary approvals from appropriate State agencies.”
- Exempts freestanding cancer hospitals

Policy 2015



THE BIG TICKET ITEMS

- Meaningful use
- Managed care
- Quality proposals
- 340B



ANOTHER STAGE, SOME MODIFICATIONS

- Meaningful use provisions finalized in October
 - » Modifications for 2015 to 2017 program year
 - Transition to calendar year reporting
 - 90 day reporting period for 2015
 - Easing of some burdensome requirements
 - » Stage 3
 - Mandatory beginning 2018



MEDICAID MANAGED CARE

- First major revisions to managed care regulations in over a decade
- Supplemental payments task force leading efforts to push back on the rule
 - » Proposal limits states' ability to direct supplemental payments to Medicaid providers through managed care framework
 - » 80 percent of Medicaid beneficiaries in managed care



FEDERAL REGISTER

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Part II

Department of Health and Human Services

Centers for Medicare & Medicaid Services
42 CFR Parts 431, 433, 438, *et al.*
Medicaid and Children's Health Insurance Program (CHIP) Programs;
Medicaid Managed Care, CHIP Delivered in Managed Care, Medicaid and
CHIP Comprehensive Quality Strategies, and Revisions Related to Third
Party Liability; Proposed Rules

QUALITY PROPOSALS

- Overall Hospital Star Rating Methodology
- Discharge Planning
- Comprehensive Care for Joint Replacement Model
 - » Bundles Medicare payments for hip and knee replacement surgery
 - » Delayed start until April 2016
 - » Hospitals will receive reconciliation payments if they meet quality measurement standards
 - » Did not include readmissions measure, which often leads to penalties for essential hospitals due to lack of risk adjustment



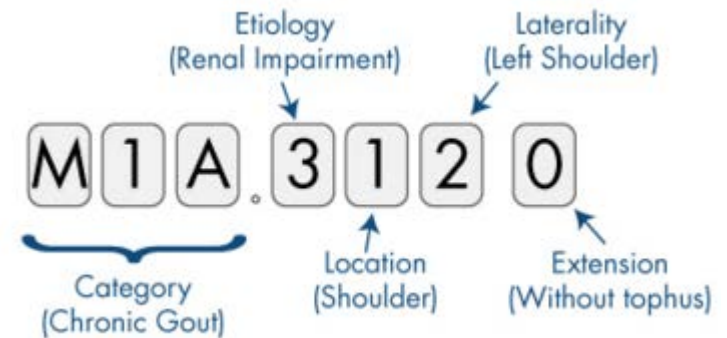
340B MEGA-GUIDANCE

- HRSA released sub-regulatory guidance in August
- Primary concerns
 - » Patient definition
 - » Penalty for non-compliance
- Comments submitted Oct. 27



...AND SOME OTHER MILESTONES FROM 2015

- Oct. 1 transition to ICD-10 diagnosis and procedure codes
- Revised two-midnight policy in OPPS final rule gives some flexibility for physician judgement in short patient stays



Current Issues and 2016 Priorities



CURRENT ISSUES AND 2016 PRIORITIES - LEGISLATIVE

- Site Neutral Payment Fixes
- 340B
 - » Offense - (stop the guidance)
 - » Defense – potential Hill action
 - MedPAC and OIG recommendations on Medicare Payments
 - Continued E&C interest in program integrity
- Medicaid Supplemental Payments
 - » Stop the managed care regulation provision
- Medicare DSH
 - » Freeze further cuts
- Medicare Readmissions – SES Risk Adjustment
 - » S. 688/H.R. 1343



CURRENT ISSUES: REGULATORY

- Equal access final rule
- Guidance on Section 1332 waivers
- Senate Finance Committee letter on data transparency



Forecasting 2016



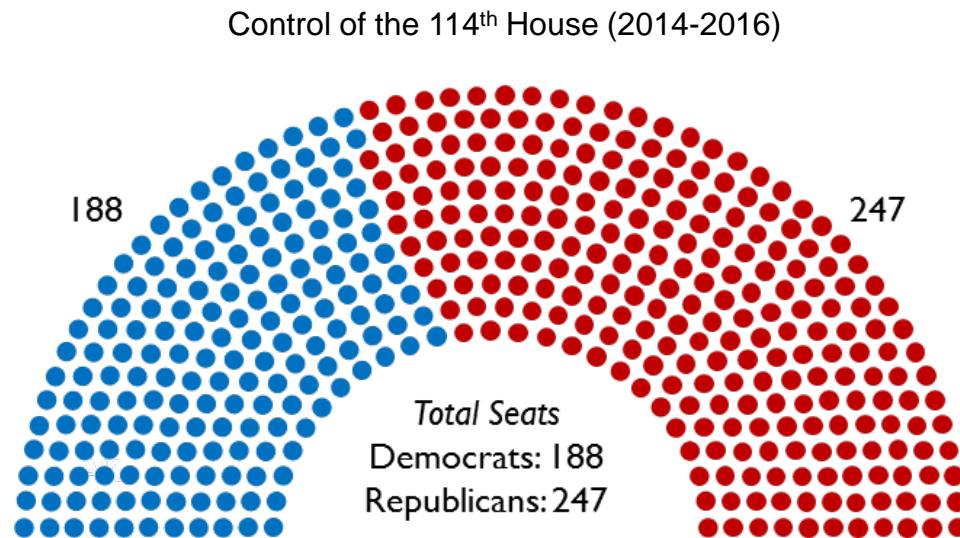
THE 2016 OUTLOOK – ON THE HILL



- Big Question: What will Speaker Ryan do?
 - » Not much?
 - » Entitlement Reform?
 - » Tax Reform?
- Other Areas of Interest
 - » Energy & Commerce and HELP Committees: 21st Century Cures / “Innovations”
 - » Finance Committee: Chronic Care
 - » Ways and Means Committee: “Hospital Package”

THE 2016 OUTLOOK – ELECTIONS

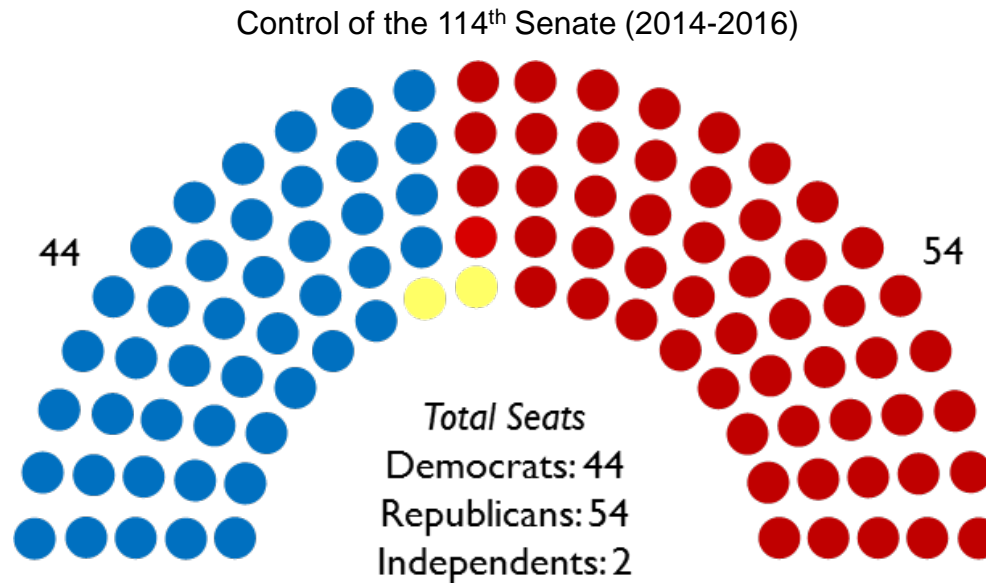
Republicans Almost a Lock to Keep the House



Source: National Journal Research; CNN Election Center; New York Times.

THE 2016 OUTLOOK – ELECTIONS

Democrats could take back the Senate

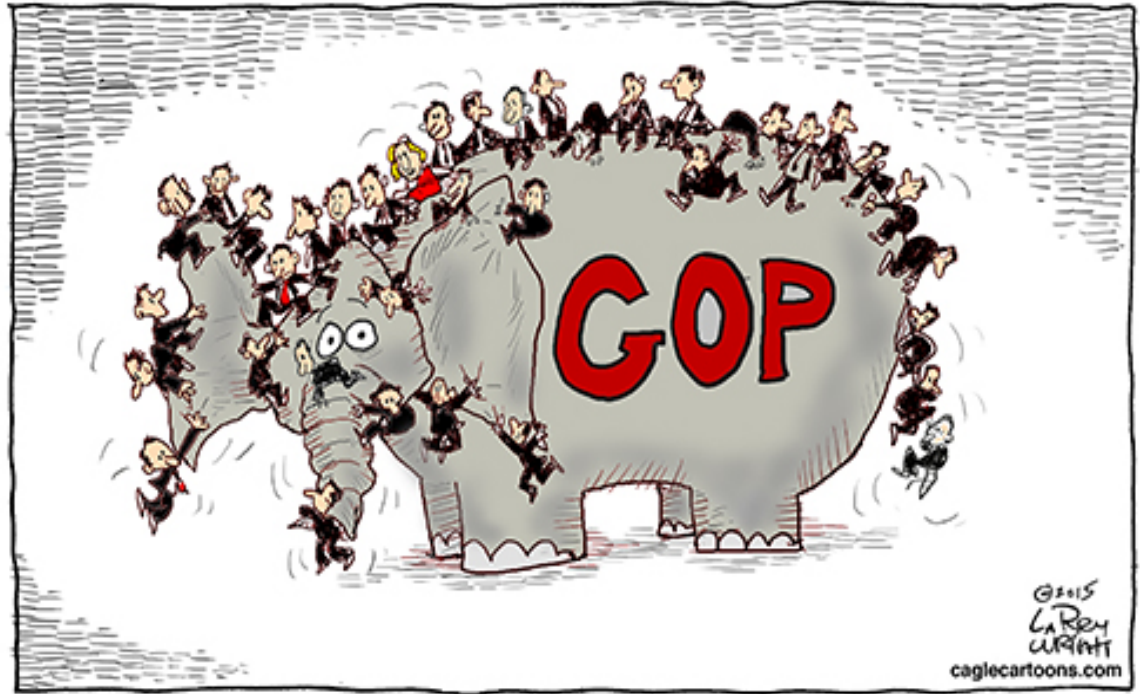


Source: National Journal Research; CNN Election Center; Associated Press; NBC News

THE 2016 OUTLOOK – THE RACE FOR THE WHITE HOUSE



vs.



Bob Englehart, The Hartford Courant



THE 2016 OUTLOOK – THE RACE FOR THE WHITE HOUSE

Shawn's Completely Subjective Ranking of the official Republican Field:

Tier 1 – Serious Contenders

- Bush – *Wishes he could change his last name*
- Rubio – *Wishes Bush was from Texas*

Tier 2 – Might Make It Interesting

- Cruz – *Wishes Rubio wasn't Hispanic*
- Huckabee – *Wishes it was 1976*
- Paul – *Wishes foreign policy was not a thing*
- Perry – *Wishes people would forget 2012*
- Santorum – *Wishes people agreed with him on gay marriage*

Tier 3 – Will Not Make it Interesting

- Carson – *Wishes his staff would stop quitting*
- Fiorina – *Wishes she was only female running*
- Graham – *Wishes domestic policy wasn't a thing*
- Pataki – *Wishes he ran sooner*

Tier 4 – Will Definitely Make it “Interesting”

- Trump – *Wishes he didn't have to hire people to attend his rallies*

JUNE EDITION

THE 2016 OUTLOOK – THE RACE FOR THE WHITE HOUSE

Shawn's Newly Updated, but Still Totally Subjective, Ranking of the Official Republican Field:

Tier Trump – Has Definitely Made it “Interesting”

↑! Trump – *A beautiful wall. Paid for by Mexico.*

Tier 1 – Serious Contenders

↑ Cruz – *For Trump to say something outlandish so he can jump ahead – oh, wait...*

↔ Rubio – *For Cruz' supporters. And Bush's money*

Tier 2 – Might Make It Interesting

↓ Bush – *That people will stop comparing him to his (**way more successful**) relatives*

↑ Carson – *To run as an independent*

↑ Fiorina – *That people would vote according to best debate performance*

↔ Huckabee – *That Christian conservatives would realize that Trump is...you know, not*

Tier 3 – Have not Made it Interesting

↔ Gilmour – *To be recognized. By anyone.*

↔ Graham – *To be Sec. of Defense*

↔ Pataki – *That no one will notice when he drops out*

↓ Paul – *That the Libertarian Party was a real thing*

↓ Santorum – *Another miracle*

Tier Nope – Better Luck Next Time

✘ Jindal – *To be the first Indian-Am. VP*

✘ Perry – *Oh, any old job will do*

✘ Walker – *Short memories*

NOVEMBER EDITION

Questions?

