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
• **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
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

Control of the 114th House (2014-2016)

Total Seats
Democrats: 188
Republicans: 247

Democrats could take back the Senate

Control of the 114th Senate (2014-2016)

- Total Seats: 100
- Democrats: 44
- Republicans: 54
- Independents: 2

Source: National Journal Research, CNN Election Center, Associated Press, NBC News
THE 2016 OUTLOOK – SENATE

34 Senate seats up for grabs in 2016
- 10 Democrat-held
- 24 Republican-held

Key Races:
- Tossup: Florida (Open)
- Tossup: Nevada (Open)
- Tossup: New Hampshire (Ayotte)
- Leans Democrat: Colorado (Bennet)
- Leans Democrat: Illinois (Kirk)
- Leans Democrat: Wisconsin (Johnson)
- Leans GoP: Arizona (McCain)
- Leans GOP: Ohio (Portman)
- Leans GOP: Pennsylvania (Toomey)

UVA Center for Politics
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
X Jindal – To be the first Indian-Am. VP
X Perry – Oh, any old job will do
X Walker – Short memories

NOVEMBER EDITION
Questions?