



## **An Important Update on Congressional Activity**

March 23, 2015

You may remember the NHPCO Hospice Action Network's [What to Expect in 2015 video](#) listed the anticipated Sustainable Growth Rate (SGR or 'Doc Fix') package as a potential challenge for the hospice community this year. The Health Policy Team would like to update providers on recent congressional activity.

### **Background**

By way of background, the errant reimbursement payment formula for doctors would cause a 20% cut, thus causing them to refuse to accept Medicare patients. To stave off an access crisis for Medicare beneficiaries, Congress has been passing temporary patches (17 of them since 2002) to keep the doctors whole. The most common way to pay for this patch has been to cut other Medicare providers, such as hospitals, skilled nursing facilities (SNFs) and home health. In fact, the short term SGR patch passed in 2014 cut SNFs by \$2 billion, on top of the productivity cuts and sequester impact! *Fortunately, hospice has been able to keep from being targeted in these patch offset packages.*

### **Recent Activity**

For the past week, details have been emerging about a House negotiated package that would end this cycle and permanently correct the physician pay formula. The legislation revealed late last week will cost more than \$200 billion and is expected to be only partially offset by new cuts. We have been able to review the package of savings that Congress intends to use to offset the package and want to share relevant highlights:

- Structural changes to the Medigap programs and means testing methodology (both considered to be most impactful to beneficiaries),
- Reimbursement restructuring for hospitals,
- For FY 2018, a market basket update limited to 1 percent, before statutory adjustments such as deductions for productivity, for post-acute providers including hospice.

### **What's Ahead**

We have always known that if a political deal for a permanent fix could be reached, everyone and everything would be on the table for the offset package. The current effort is unique in that they are only working for a partial offset, so this may be the only chance for Medicare providers to get off with relatively minimal contributions. The assumption is that if the House can pass this package this week, it will likely pass the Senate before or soon after the March 31 deadline.

While the bill's future is not set in stone, we wanted to notify you of the developments and how they might impact the community. The Health Policy Team will keep providers informed as this issue moves forward.