



THE CRD ASSOCIATES'

HEALTH POLICY REPORT

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It's All About that Base(line)

With just two weeks left before the federal government runs out of money, lawmakers still hope to fashion a massive spending bill that can placate all sides and avoid another disastrous government shutdown.

But the signs are growing that congressional leaders may have to pass another short-term continuing resolution, or CR, through December 18, should negotiators need more time to strike a budget agreement. The White House has

already signaled it would not block a one-week extension to the CR, if it meant averting a partial shutdown while lawmakers finalize the appropriations deal.

Key lawmakers and staff, in concert with congressional leaders, worked throughout the Thanksgiving holiday recess haggling over the remaining snags in the \$1.1 trillion bill. Committee aides said progress has been made but the talks continue around the clock to iron out the final details.

While spending levels are always an issue, policy riders appear to be the big obstacles to a budget agreement. There is growing focus, for example, on security-related issues following the terrorist attacks in Paris last month.

At issue for the Labor-HHS spending bill that funds the National Institutes of Health (NIH), AHRQ and HRSA is how Congress decides to handle calls to defund Planned Parenthood.

According to Senator Barbara A. Mikulski (D-MD), the top Senate Democratic appropriator, negotiators have worked out most funding issues on seven of the 12 annual spending titles, but that some of the most politically contentious nondefense bills, including Labor-HHS-Education, were still unresolved.

NIH Could Gain From Budget Deal

Despite the tenuous nature of the current budget negotiations, key lawmakers hope to open a path for Congress to deliver consistent annual budget increases for the National Institutes of Health.

Senator Roy Blunt (R-MO), chairman of the Senate Appropriations Labor-HHS-Education Subcommittee, said he is working to boost NIH's budget through the fiscal 2016 spending package. Blunt said NIH's budget could benefit in the years ahead from the momentum.

Earlier this year, Blunt called for a \$2 billion increase for NIH, lifting its annual spending to \$32.1 billion. This would be the largest baseline increase the NIH has received since Congress doubled the agency's funding over a five-year span concluding in 2003.

The companion House bill included a \$1.1 billion increase, or about \$100 million more than the White House requested.

Leaders in both chambers view extra funding for the NIH as a sweetener to help clear the appropriations package.

Blunt contends that his approach is a more likely path to the stable trajectory of budget increases that NIH Director Francis S. Collins has asked Congress to provide.

AHRQ Funding in Jeopardy

While prospects are hopeful for NIH, as we noted last month, AHRQ received no funding in the House's version of the appropriations bill and a 35 percent reduction in the Senate's version.

In an attempt to get AHRQ funding restored, SGIM last month launched a national grassroots campaign calling on all SGIM members to email their representatives and senators, send tweets and writing op-eds to create an environment in which it will be easier for policy makers to do the right thing.

Working with our colleagues in the Friends of AHRQ, SGIM hopes to inform legislators about the crucial role that the agency plays in creating a health care system that is stronger, safer and with higher quality than we have seen to date.

Thanks go out to all SGIM members who took part in this effort. If you haven't reached out to your elected officials, there's still time to weigh in.

ACA on the Chopping Block...Again

The Senate is about to kick off several days of debate over repealing the Affordable Care Act despite threats that the legislation would draw a certain veto by President Obama.

The first amendment expected to be offered will replace a proposed repeal of the individual and employer coverage mandates in the health care law contained in a House-passed bill with a zeroing out of the penalties for not complying with those mandates, effectively doing away with the requirements.

Further amendments that would expand the scope of the repeal of the health care law or make other changes in the bill will follow, leading to an unlimited number of amendments from both Republicans and Democrats.

Senate GOP leaders have considerably expanded the repeal of the law beyond what is in the House bill, which in addition to repealing the coverage mandates would do away with taxes on high-cost health insurance plans and medical devices, end a prevention and public health fund and suspend federal aid to Planned Parenthood for a year.

Republican senators said they will repeal as much of the law as is possible under Senate rules, including doing away with the law's expansion of Medicaid effective in 2017, tax credit subsidies to buy health insurance, also effective in 2017, and most of the taxes in the law.

The Planned Parenthood defunding is supported by most Republicans and will remain in the bill, but there will be attempts to remove or modify it through amendments.

While most legislation needs 60 votes to be taken up in the Senate, reconciliation bills are privileged and can pass with a simple, 51-vote majority. However, it takes 60 votes to waive an objection to any elements of a reconciliation bill or amendments that violate Senate rules.

The Common Rule Comment Deadline Extended

The Obama administration has proposed an extensive array of revisions to the Common Rule, a federal regulation that governs human research subject protections. When the original Notice of Proposed Rule Making was released in early September, it included a 90 day period within which groups and individuals could comment on the changes. That period was scheduled to run through December 7.

Because of the considerable length of the regulations and the complexity of the changes, the deadline has now been extended by the administration for an additional 30 days, ending on January 6, 2016.

SGIM has assembled a working group comprised of members of the Health Policy Committee, the Research Committee, and the Ethics Committee chaired by Dr. Nancy Keating to develop comments from the Society. The working group has met once and expects to have something ready for review by Council later this month.

CMS Releases Final Physician Fee Schedule Rule

In early November, the Centers for Medicare and Medicaid Services (CMS) released its final Physician Fee Schedule rule for 2016. The SGR repeal bill included a 0.5 percent increase for all fee-for-service payments on January 1, but physicians will ultimately see a 0.3 percent reduction in fee-for-service payments because of a provision in a separate piece of legislation. This provision requires the agency to reach a target rate of reduction in misvalued RVUs. This target was not met, and CMS was mandated to implement an across the board reduction.

The rule finalized CMS' proposal to reimburse physicians for advance care planning (ACP) services. Beginning in January, ACP services can be billed using CPT code 99497 and add-on CPT code 99498 to be reimbursed at approximately \$85.99 and \$74.88 respectively in a physician office.

In the proposed rule, CMS solicited comment on how to improve payment for evaluation and management services, suggesting the creation of add-on codes to be billed in conjunction with these services, and improve the chronic care management service. SGIM provided comment on both of these issues, but the agency did not finalize policy in either area. These issues may be revisited in future rulemaking.

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