THE CRD ASSOCIATES'

HEALTH POLICY REPORT

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The Headlines:

Santa's Sleigh

The holidays arrived early in Congress, when lawmakers found it in their hearts to dole out $1.15 trillion in federal appropriations while also extending a host of popular tax breaks.

Though there was concern until the last minute whether deep-seated partisan divides would get in the way, stockings were hung when October's bipartisan budget deal gave lawmakers an extra $50 in spending authority. But congressional generosity went beyond the annual appropriations bills that keep

government programs running. The tax breaks Congress passed—at an estimated cost of $622 million—were not offset by cuts elsewhere. So all in all, the new budget and the tax package—summed up in 2,000-plus pages—will add about $57 billion to the public debt over the next decade.

Policy Riders at Issue

Much of the drama leading up to the final hours of negotiations centered around numerous non-spending legislative provisions. A major focus was on GOP efforts to include policy riders supported by conservatives, such as placing restrictions on the administration to implement numerous environmental and financial service rules and, in the wake of the Paris terrorist attacks, to prevent refugees from Syria or Iraq from entering the US. Conservatives also wanted to impose further restrictions on abortion providers such as Planned Parenthood.

Some riders, like Planned Parenthood and the prohibition of Syrian refugees, were dropped. Policy riders that made it into the final legislation include: an end to the U.S. ban on crude oil exports; reauthorization of the 9/11 first-responder health care and victim compensation programs; a provision providing a voluntary cybersecurity information-sharing process between the government and the private sector; requiring individuals who have been in certain nations, such as Syria and Iraq, to get regular visas that involve in-person interviews with U.S. officials in order to enter the US; and extension of the Land and Water Conservation Fund.

The measure also includes a two-year delay of the 2010 health care law's Cadillac tax on high-cost health plans and extensions and phase-outs of wind and solar energy tax credits.

NIH Makes up Some Lost Ground; Primary Care Held Steady

The omnibus appropriations bill includes $32.1 billion for the National Institutes of Health (NIH), $2 billion (6.6 percent) more than the FY 2015 level and $1 million more than the president requested. This represents the largest increase in annual appropriations for NIH since fiscal year 2003, the last year of the five-year doubling of the agency’s budget.

The agreement includes the budget request of $200 million for the new Precision Medicine Initiative (PMI), $130 million of which is allotted to NIH; an increase of $350 million for Alzheimer's disease research; an increase of $85 million for the Brain Research through Application of Innovative Neurotechnologies (BRAIN)

Initiative; and an increase of $100,000,000 for research to combat Antimicrobial Resistance.

The agreement provides $500 million for the CTSA program, an increase of $25.3 million above fiscal year 2015, to implement the recommendations from the 2013 Institute of Medicine report on CTSA. In particular, the agreement supports the goal of using CTSA to build networking capacity and support for innovative collaborative projects. Additional funding is included to allow the program to retain its merit-based CTSA funding to institutions while expanding the network capacity to conduct multi-site clinical studies and collaborative projects.

Most Title VII health professions programs were held to last year's level, including $38.9 million for primary care training, $21.7 million for Centers of excellence and $45.9 million for Scholarships for the Disadvantaged. The Health Careers Opportunity Program (HCOP) was continued at $14.2 million, rejecting the president's proposal to terminate the program.

AHRQ Escapes the Budget Axe

While the House had originally proposed to eliminate federal funding for AHRQ, a strong grassroots effort by SGIM and other organizations managed to save the agency. Under the final legislation, AHRQ is funded at $334 million, an eight percent reduction below current funding.

The final agreement includes $66 million for investigator-initiated research grants, with language stating that: "Investigator-initiated research should not be targeted to any specific area of health services research so as to generate the best unsolicited ideas from the research community about a wide variety of topics."

Senate Finance Committee Releases Chronic Care Policy Options

Last summer the Senate Finance Committee solicited comments on how to improve outcomes for Medicare beneficiaries living with multiple chronic health conditions. In response, the committee received responses from 530 stakeholders. After reviewing all of the feedback, the committee developed a policy options document that outlines three bipartisan goals for each policy to meet:

1. The proposed policy must increase care coordination among individual providers across care settings who are treating individuals living with chronic diseases;
2. The proposed policy streamlines Medicare's current payment systems to incentivize the appropriate level of care for beneficiaries living with chronic diseases; and
3. The proposed policy facilitates the delivery of high quality care, improves care transitions, produces stronger patient outcomes, increases program efficiency, and contributes to an overall effort that will reduce the growth in Medicare spending.

The Finance Committee is now soliciting feedback on the policies outlined in its options document. Some of the policy changes discussed include Expanding the Independence at Home model of care, creating another chronic care management (CCM) code for more complex patients, waiving the beneficiary co-pay for CCM services, and providing flexibility for beneficiaries to be part of an Accountable Care Organization (ACO). Comments are due in late January.

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