



Health Policy Briefing

April 13, 2015

Congress Returns From Recess to Work on SGR, Budget Resolution

SGR, Budget Debate to Resume

Congress returns from a two-week recess this week, and the Senate will have until Wednesday to pass a bill that prevents a 21 percent cut in physician Medicare reimbursements. The House passed H.R. 2, the Medicare Access and CHIP Reauthorization Act, with overwhelming bipartisan support before adjourning for recess, but the Senate has still not scheduled a vote on the legislation. H.R. 2 would offset \$70 billion of the bill's \$210 billion total cost over the next decade. Half of this \$70 billion will come from cuts to Medicare beneficiaries through means testing premiums for high-income seniors, the introduction of a deductible to some supplemental Medigap plans, and cuts to hospitals, acute-care providers and insurers. Senators from both sides of the aisle, including Minority Leader Harry Reid (D-Nev.) are urging that Republican leadership allow amendments on the sustainable growth rate (SGR) repeal package. Democrats are pushing for a four-year funding extension for the Children's Health Insurance Program (CHIP). H.R. 2 only contains a two-year funding extension for the program. Democrats may also try to remove the bill's restrictions on abortion and its Medicare therapy caps provision. Senate Republicans are seeking offsets to cover the entire cost of the bill. There are concerns that any modifications to the legislation, which was negotiated by Speaker of the House John Boehner (R-Ohio) and House Minority Leader Nancy Pelosi (D-Calif.), could jeopardize its passage as any changes made by the Senate will require that differences be worked out by the House and Senate and passed again before it could become law. Senate Majority Leader Mitch McConnell (R-Ky.) has not yet indicated whether the bill will include amendments. Ranking Member of the Senate Finance Committee Ron Wyden (D-Ore.) has already announced his intention to vote in favor of the SGR repeal bill, though he too hopes to see votes on amendments. President Obama has also expressed support for the passage of H.R. 2. In a report released by the Centers for Medicare and Medicaid Services (CMS) last week, actuary Paul Spitalnic expressed beliefs that Congress will actually need to pass further legislation to ensure adequate access to and quality of physician services in the Medicare program. Though the new payment rates under H.R. 2 would be sufficient in the short-term, Mr. Spitalnic expressed concerns about how Medicare doctors would fare in later years with high inflation. The report confirmed the Congressional Budget

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Office's (CBO) estimated cost of the legislation, and found that roughly 10 million Medicare beneficiaries would be affected by higher premiums in 2015 as a result of the bill. The Senate has until Wednesday before CMS must pay claims that have been held for 14 days, resulting in the SGR cuts going into effect and CMS making physician payments at the lower rate. Wednesday is also the annual deadline for Congress to pass a budget resolution, though it is uncommon for lawmakers to successfully meet this deadline. Chairmen of the House and Senate Budget Committees Rep. Tom Price (R-Ga.) and Sen. Mike Enzi (R-Wyo.) met during the recess for the purpose of reconciling the differences between each chamber's version of the budget. The passage of a budget resolution will allow policy makers to use the process known as reconciliation to repeal and replace the Affordable Care Act (ACA) with only 51 votes in the Senate, instead of the 60 votes required to overcome a filibuster. An alternative to the ACA will also be necessary should the Supreme Court rule against the Administration in the *King v. Burwell* case. Should this happen, 7 million people in roughly three-dozen states would lose their federal subsidies to buy health insurance.

White House Releases First Aging Policy Brief

The White House Conference on Aging (WHCOA) has released the first in a series of policy briefs leading up to the 2015 Conference. The **Healthy Aging policy brief** considers how Americans can maximize their physical, mental, and social well-being. The brief addresses the promotion of health and prevention of disease and injury, optimization of cognitive health, optimization of behavioral health, maximization of independence in homes and communities, and the promotion of community and civic engagement. Additional briefs examining other key topics for the Conference will be released in the coming weeks. WHCOA has invited public comments on the briefs. They will use the responses received to help shape their ongoing work on this year's conference.

Senate Lawmakers Ask for Funding to Combat Prescription Drug Abuse

Sen. Edward Markey (D-Mass.), Sen. Tammy Baldwin (D-Wis.), and 14 other Democratic and Independent senators have signed a **letter** urging Senate appropriators to increase funding for prescription drug and opioid abuse prevention, treatment, and research programs at the U.S. Department of Health and Human Services in the coming fiscal year. "Drug overdoses deaths have skyrocketed in the past decade, largely because of prescription opioids, and they have become the leading cause of injury death in the U.S.," the senators wrote. "It is critical that we make a strong commitment to strengthen our nation's efforts to combat this epidemic." The letter to the Chairman and Ranking Member of the Senate Appropriations Subcommittee on Labor, HHS, and Education requested increased funding to support surveillance and monitoring at the Centers for Disease Control and Prevention (CDC), prevention, treatment, and overdose reversal at the Substance Abuse and Mental Health Services Administration (SAMHSA), and alternative treatment research at the National Institutes of Health (NIH).

\$4 Billion Spent on Poor Results from Breast Cancer Screenings

\$4 billion is spent annually on false-positive mammograms and diagnoses of breast cancer that will never cause symptoms or death, according to a new **study** published by Health Affairs last week. \$2.8 billion is spent on follow-up care associated with false-positive test results, and \$1.2 billion is spent on overdiagnosis or treating growths that are unlikely to cause harm to patients. The cost per patient ranges from \$852 to \$12,369 depending on the misdiagnosis or overdiagnosis. The authors of the research conclude that a more personalized approach to determining a person's breast cancer screening schedule is necessary. The schedule should be based on risk factors other than age, including genetic predisposition, obesity, and family history. The study's findings will likely be considered as the U.S. Preventive Services Task Force (USPSTF) prepares to release its next set of draft mammography recommendations in the coming months. USPSTF came under controversy in 2009 when the Task Force reversed its previous stance in support of annual mammography screening for women aged 40 to 49 and recommended against routine screenings for women in this age bracket.

Senators Demand Plan to Ensure Care for Veterans at Private Facilities

In a **letter** to U.S. Department of Veterans Affairs (VA) Secretary Robert McDonald, leaders of the Senate Committee on Veterans' Affairs requested clear guidance for local VA medical centers and their patients regarding options for veterans to receive care from providers outside of VA hospitals and facilities. Chairman Johnny Isakson (R-Ga.) and Ranking Member Richard Blumenthal (D-Conn.) asked the Secretary to provide a detailed plan for improving and integrating non-VA care options used by the VA no later than May 20, 2015. "We believe that it is vitally important veterans and providers receive accurate information on care available at the local Department of Veterans Affairs Medical Centers (VAMC) and in the community in order to understand the care options feasible. All too often, veterans and providers are unaware of these options and local facilities offering or approving non-VA care seems to vary arbitrarily from one VAMC to the next," the senators wrote. The letter also calls for a review of all traditional non-VA care programs and the rates VA pays non-VA providers.

Upcoming Congressional Meetings and Hearings

Senate Caucus on International Narcotics Control: hearing on the quota system used to manage controlled substances; 10:00 a.m., 226 Dirksen Bldg.; April 14

Senate Finance Committee: hearing titled "Creating a More Efficient and Level Playing Field: Audit and Appeals Issues in Medicare;" 10:00 a.m., 215 Dirksen Bldg.; April 14

House Ways and Means Health Subcommittee: hearing on the individual and employer mandates in the 2010 health care law; 10:00 a.m., B-318 Rayburn Bldg.; April 14

House Ways and Means Health Subcommittee: meeting to organize and adopt subcommittee rules for the 114th Congress (to precede the simultaneously scheduled hearing); 10:00 a.m., B-318 Rayburn Bldg.; April 14

House Education and the Workforce Subcommittee on Health, Employment, Labor, and Pensions: hearing titled "Five Years of Broken Promises: How the President's Health Care Law is Affecting America's Workplaces;" 10:00 a.m., 2175 Rayburn Bldg.; April 14

House Energy and Commerce Environment and Economy Subcommittee: hearing on the Toxic Substances Control Act (TSCA) Modernization Act of 2015; 10:15 a.m., 2322 Rayburn Bldg.; April 14

House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies: hearing on proposed fiscal 2016 appropriations for programs under its jurisdiction – Ebola; 10:00 a.m., 2358-C Rayburn Bldg.; April 15

House Energy and Commerce Subcommittee on Health: hearing on "Medicare Post Acute Care Delivery and Options to Improve It;" 10:15 a.m., 2322 Rayburn Bldg.; April 16

Senate Finance Health Care Subcommittee: hearing titled "A Fresh Look at the Impact of the Medical Device Tax on Jobs, Innovation and Patients;" 10:00 a.m., 215 Dirksen Bldg.; April 23

House Veterans' Affairs Committee: hearing titled "Examining Access and Quality of Care and Services for Women Veterans;" 10:30 a.m., 334 Cannon Bldg.; April 30

House Veterans' Affairs Committee: hearing titled "Assessing the Promise and Progress of the Choice Program;" 10:30 a.m., 334 Cannon Bldg.; May 13