Dear All:

I realize that you have probably already received updates from the AMA and/or your own specialty societies, but I just wanted to give you a brief recap on a few items:

- House Ways and Means Committee Passes SGR Bill
- Senate Finance Committee Passes SGR Bill
- Bill to Prevent the Imminent Pay Cut Passes House
- House Doctors Caucus Send SGR Letter to Leadership

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House Ways and Means Committee Passes SGR Bill

On Dec. 12, 2013, by a unanimous vote of 39-0, the House Ways and Means Committee completed its consideration of SGR Repeal and Medicare Beneficiary Improvement Act<http://1.usa.gov/18pNOjp>. While most of the committee members expressed positive sentiments about the bill, Rep. Tom Price, MD (R-Ga.), one of our champions, noted that he has “significant and fundamental concerns” that he wants to see addressed before a final bill goes to the House floor for a vote. These include, among other things: inadequate payment updates; expanding the authority of CMS to make quality determinations; the budget-neutral quality program — which pits doctors against each other; and the failure to maintain a fee-for-service option.

Other members of the committee cautioned that their support is predicated on how this bill will be paid for. In addition, several committee members urged that the package ultimately include the so-called Medicare extenders (which include increasing the geographic adjustment payment floor for rural physicians and other miscellaneous items). The approximate cost<http://1.usa.gov/1fqlMUG> of a package including all these extras will be in the neighborhood of $150 billion.

The House Ways & Means and Energy & Commerce Committees will now need to work to combine their bills into a single House bill. This process will begin now and continue through early 2014.

Senate Finance Committee Passes SGR Bill

Also on Dec. 12, 2013, the Senate Finance Committee passed its version of the SGR Repeal and Medicare Beneficiary Improvement Act<http://1.usa.gov/1eateGl>. A number of modifications<http://1.usa.gov/1h6FR2N> to the original version were adopted, as were a handful of amendments to the bill. A number of amendments were offered and withdrawn, giving Senators an opportunity to highlight the topics, but without forcing a vote on them. Examples of amendments that were offered and withdrawn include:
Sens. Nelson/Schumer/Stabenow/Menendez/Casey: S. 577, Residency Physician Shortage Reduction — which would increase Medicare funding for an additional 15,000 residency slots

Sens. Toomey/Carper/Cornyn: Standard of Care Protection — which would clarify that quality measures do not create new standards of care for purposes of medical malpractice lawsuits

Sen. Cornyn: Repeal of the Independent Payment Advisory Board (IPAB)

A number of Senators expressed their support for the bill, but stated that if it is not fully paid for with bipartisan budget offsets, they will ultimately vote against the measure when it comes to the floor. While the committee did not take a recorded vote, at least one member — Sen. Richard Burr (R-N.C.) — vocally voiced his “no” vote. As with the House bill, further consideration will not take place until next year.

Bill to Prevent the Imminent Pay Cut Passes House

Finally, on Dec. 12, 2013, by a vote of 332 to 94, the House of Representatives passed the bipartisan budget deal that will fund the government for the next two-years. 169 Republicans and 163 Democrats voted in favor of the budget deal. Included in the deal is a provision that prevents the Medicare pay cut — replacing the cut with a 0.5 percent increase until April 1, 2014 — and several other Medicare-related provisions. Under this bill, the 2 percent sequester cuts will now be extended through 2023, rather than 2021.

It should also be noted that House Republican leaders originally included a delay of the hospital inpatient two-midnight rule as part of the original Medicare amendment to the budget deal. Unfortunately, it was stripped from the package by the House Rules Committee (all legislation must first clear this committee prior to being voted on by the full House of Representatives) because it added an additional $2 billion to the cost of this bill. The good news is that Congressional leaders are aware of this problem and want to try to fix it. To this end, on Dec. 11, Rep. Jim Gerlach (R-Pa.) introduced bipartisan legislation — HR H.R.3698 — that would delay implementation of the two-midnight rule until such time as a new policy for short inpatient hospital stays can be developed. The American Health Lawyers Association has prepared a summary of the current two-midnight rule. [see attachment]

House Doctors Caucus Send SGR Letter to Leadership

Finally, today the House Doctors Caucus send a letter regarding SGR repeal/replacement to House leaders. [see attachment] It is an outstanding letter, and reflects most of our principles for SGR reform. It was signed by ALL members of the
caucus, which is very significant. Members of the House of Representatives will be relying heavily on the opinions of the physicians in the House, so hopefully this letter will help strengthen our hand in negotiating a better deal.

Have a Wonderful Weekend

As always, please let me know if you have any questions, comments or concerns. In the meantime, have a wonderful weekend!

Donald

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