

# **Protecting Access to Medicare Act of 2014**

*(as posted March 26, 2014 on docs.house.gov)*

## **Section by Section Summary**

*Averts Medicare Physician Payment Cuts as  
Congress Continues to Push Replacement of the Flawed SGR Formula*

### **TITLE I—MEDICARE EXTENDERS**

#### **Section 101. Physician Payment Update**

This provision prevents a 24% cut in reimbursements for physicians treating Medicare patients on April 1, 2014 and replaces it with a 0.5% (through December 31, 2014) and a 0% update from January 1 until April 1, 2015. The Sustainable Growth Rate (SGR) is a formula that creates yearly spending targets for physician services under Medicare. Due in part to flaws in the SGR policy, Congress has overridden these formula driven cuts for over a decade and agree it must be reformed.

#### **Section 102. Extension of the Medicare Work GPCI Floor**

This provision extends the Medicare GPCI floor through March 31, 2015. The Geographic Practice Cost Index (GPCI) is used by the Centers for Medicare and Medicaid Services to determine allowable payment amounts to physicians for medical procedures. The three GPCI's (work, malpractice, and practice expense) are used to adjust payments for resource costs that vary geographically. In 2003, Congress set in place a floor that suspends the GPCI at 1.0 for those localities with resource costs that are below the national average. Absent legislation, this floor is set to expire on April 1, 2014.

#### **Section 103. Extension of Medicare Therapy Cap Exceptions Process**

This provision extends the Medicare therapy cap exceptions process through March 31, 2015. Currently, the Medicare program has annual limitations (or caps) on the amount of expenses a patient can accrue for outpatient therapy services in a given year. In 2006, Congress created an exceptions process to this policy that allows for providers to seek and gain a waiver from the cap based upon the medical needs of the patient. This policy is set to expire on April 1, 2014.

#### **Section 104. Extension of Medicare Ambulance Add-ons**

This provision extends the increased Medicare rates for ambulance services, including those in extremely rural areas of the country, until April 1, 2015.

**Section 105. Extension of Medicare Inpatient Hospital Payment Adjustment for Low-Volume Hospitals**

This provision extends the Medicare Low-Volume hospital payment for 12 months. CMS has traditionally provided an additional payment to hospitals for the higher costs associated with operating a hospital with a low volume of discharges.

**Section 106. Extension of Medicare-Dependent Hospital (MDH) program**

This provision extends the MDH program for 12 months. Established in 1987, the program was created to support smaller more rural hospitals for which Medicare patients are a significant portion of total discharges.

**Section 107. Extension of Authorization for Special Needs Plans**

This provision extends Medicare Advantage Special Needs Plan for 1 year through 2016. Special Needs Plans are limited to only those seniors who have specific diseases or characteristics and provide benefits, provider choices, and drug formularies tailored to best meet the specific needs of the groups they serve.

**Section 108. Extension of Medicare Reasonable Cost Contracts**

This provision allows Medicare cost plans to continue to operate through December 31, 2015 in an area where at least two Medicare Advantage coordinated care plans operate. Cost plans are private plans that operate in much the same ways as a Medicare Advantage plan. However, plans with cost contracts provide Medicare services on a reasonable per person amount based on the actual costs of services.

**Section 109. Extension of Funding for NQF quality measurement**

This provision extends funding through the first 6 months of fiscal year 2015 for the National Quality Forum (NQF) until currently available funds expire.

**Section 110. Extension of Funding outreach and assistance for low-income programs**

This provision extends outreach and assistance for low-income programs through March 31, 2015 for State Health Insurance Counseling Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and The National Center for Benefits Outreach and Enrollment.

**Section 111. Extension of Two-Midnight Rule for Hospitals**

This provision extends the CMS' "probe and educate" program for auditing hospital discharges around CMS' two-midnight policy for 6 months.

**Section 112. Technical Changes to Long-Term Care Hospitals (LTCH)**

This provision makes technical corrections to the LTCH site neutral payment policy to: 1) clarify that only Medicare fee-for-service discharges will be used to calculate the numerator and denominator of the LTCH discharge payment percentage; and 2) establish an exception to the building moratorium for LTCHs.

## **TITLE II – OTHER HEALTH PROVISIONS**

### **Section 201. Extension of the Qualifying Individual (QI) Program**

This provision extends the QI program for 12 months. The QI program allows Medicaid to pay the Medicare part B premiums for low-income Medicare beneficiaries with incomes between 120% and 135% of poverty.

### **Section 202. Extension of Transitional Medical Assistance (TMA)**

This provision extends the TMA program for 12 months. Transitional Medical Assistance (TMA) allows low-income families to maintain their Medicaid coverage as they transition into employment and increase their earnings. TMA expires on April 1, 2014.

### **Section 203. Extension of Medicaid and CHIP Express Lane Option**

This provision extends Express Lane Option for 12 months. Section 203 of CHIPRA permits States to rely on findings from an Express Lane agency to conduct simplified eligibility determinations and facilitate enrollment in Medicaid and CHIP.

### **Section 204. Extension of Special Diabetes Program for Type 1 Diabetes and Indians**

This provision extends the Special Diabetes Program through fiscal year 2015.

### **Section 205. Extension of Abstinence Education**

This provision extends Abstinence Education through fiscal year 2015.

### **Section 206. Extension of Personal Responsibility Education Program (PREP)**

This provision extends the Personal Responsibility Education Program (PREP) through fiscal year 2015.

### **Section 207. Extension of Family-to-Family Health Information Centers**

This provision continues the Family to Family Health Information Centers (F2F HIC) through fiscal year 2015.

### **Section 208. Extension of Health Workforce Demo for Low-Income Individuals**

This provision continues the Health Workforce Demo for Low-Income Individuals for 12 months.

### **Section 209. Extension of Maternal, Infant, & Early Child Home Visiting Programs**

This provision would extend funding for the program through March 31, 2015.

### **Section 210. Extension of Funding for Pediatric Quality Measures**

This provision would extend funding for the development of pediatric quality measures.

### **Section 211. Delay of Medicaid Third Party Liability Settlements**

This provision delays for 2 years, until October 1, 2016, the enactment of the Medicaid Third Party Liability provision adopted as part of the Bipartisan Budget Act of 2013.

**Section 212. Delay in Transition From ICD-9 To ICD-10 Code Sets**

This provision would delay the transition to ICD-10 under the Medicare program for 1 year.

**Section 213. Elimination of Limitation on Deductibles for Small Group Health Plans**

This provision would repeal Section 1302(c)(2) of the Affordable Care Act and eliminates deductible limitations on small group health plans.

**Section 214. GAO Report on Children's Hospital GME Program**

This provision requests that GAO conduct an independent evaluation and submit a report to Congress concerning the implementation of the Children's Hospital GME Program.

**Section 215. Skilled Nursing Facility Value-Based Purchasing Program**

This provision establishes a skilled nursing facility (SNF) value-based purchasing (VBP) program by October 1, 2019. The SNF VBP program will be based off of individual SNF performance on a hospital readmission measure.

**Section 216. Lab Fee Schedule Reform**

This provision reforms the current Medicare lab fee schedule by adopting market-based private sector payment rates under the Medicare program for lab services.

**Section 217. Medicare End Stage Renal Disease (ESRD) Prospective Payment System Revisions**

This provision prohibits the inclusion of the payment for the oral-only drugs that beneficiaries take related to their ESRD in the Medicare per-dialysis treatment bundled payment rate through 2024. It spreads out the payment reduction required by the American Taxpayer Relief Act of 2012 to adjust for the reduced use of intravenous or injectable drugs that are paid through the bundle.

**Section 218. Quality Incentives for Diagnostic Imaging & Evidence-Based Care**

This provision would establish CT equipment radiation dose standards for purposes of payment under the Medicare program in order to protect the health and welfare of beneficiaries. It would also set into place appropriate use criteria for imaging services paid to medical providers under the Medicare program.

**Section 219. Using Funding from Transitional Fund for SGR Reform**

H.J.Res.59, the Bipartisan Budget Act of 2013, set aside \$2.3 Billion for patching the SGR. This provision would use these funds to help offset the cost of this legislation.

**Section 220. Ensuring Accurate Values for Physician Fee Schedule Services**

This provision would allow the Secretary of Health and Human Services to use information received from medical providers and other sources to adjust code pricing to address misvalued codes used under the Medicare Physician Fee Schedule. In addition, this provision would address GPCI payment locality irregularities in the state of California and disclose the data used to establish the radiology multiple procedure payment reduction published in the Federal Register in 2012.

**Section 221. Medicaid DSH Relief and Rebase**

This provision delays reductions in payments to Disproportionate Share Hospitals expected under current law by 1 year and then makes additional reductions through 2024. Requires MACPAC to review and submit an annual report to Congress on disproportionate share hospital payments.

**Section 222. Realignment of the Medicare Sequester**

This provision realigns the Medicare sequester in 2024 without increasing the overall effect of the sequester on Medicare providers

**Section 223. Demonstration Programs to Improve Community Mental Health Services**

The provision would establish an eight-state demonstration program over a two-year period to incentivize community mental health providers to offer a broad range of mental health services.

**Section 224. Assisted Outpatient Treatment Grant Program for Individuals with Mental Illness**

This provision would authorize \$15 million each for fiscal years 2015 – 2018 for demonstration grants for local jurisdictions to implement assisted outpatient treatment (AOT) programs for individuals with serious mental illness.

**Section 225. Exclusion from PAYGO scorecards**