Protecting Access to Medicare Act (H.R. 4302)
SGR Patch Bill

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

Summary of Provisions of Interest to NASL Members

Prepared by NASL – March 31, 2014

Medicare Extenders	Provision	CBO Cost Estimate (over 10 years) Dollars in billions
Physician Payment Update	Prevents a 24% cut in reimbursements for physicians treating Medicare patients on April 1, 2014 and replaces it with a 0.5% update (through December 31, 2014) and a 0% update from January 1 until April 1, 2015.	15.8
Extension of Work GPCI Floor	Extends the Medicare Geographic Practice Cost Index (GPCI) floor through March 31, 2015 at 1.0. 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.	0.3
Extension of Therapy Cap Exceptions Process	Extends through March 31, 2015, the therapy cap exception process for beneficiary annual limits set at $1,920 a year for occupational therapy (OT), or for a combination of physical therapy (PT) and speech language pathology (SLP). Also, extends the existing manual medical review process for all patients that exceed the $3,700 threshold for either OT or for both PT and SLP services.	0.8

Medicare Extenders	Provision	CBO Cost Estimate (over 10 years) Dollars in billions
Extension of Two-Midnight Rule	Extends the CMS "probe and educate" program for auditing hospital discharges around CMS' two-midnight policy for 6 months. Secretary shall not conduct patient status reviews (as described in such notice) on a post-payment review basis through RACs for inpatient claims with dates of admission October 1, 2013, through March 31, 2015, unless there is evidence of systematic gaming, fraud, abuse, or delays in the provision of care by a provider of services.	*
Technical Changes to Medicare LTCH Amendments	Makes technical corrections to the Long Term Care Hospitals (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.	0.1
Delay in Transition from ICD-9 to ICD-10 Code Sets	Delays the transition to ICD-10 under the Medicare program for 1 year, to October 1, 2015.	*
Elimination of Limitation on Deductibles for Employer-Sponsored Health Plans	Repeals Section 1302(c)(2) of the *Affordable Care Act* and eliminates deductible limitations on small group health plans.	0
Other Health Provisions – Payfors	**Provision**	**CBO Cost Estimate (over 10 years) Dollars in billions**
Skilled Nursing Facility Value-Based Purchasing Program	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. No later than June 2021, MedPAC shall submit to Congress a progress report.	-2.0

Other Health Provisions – Payfors	Provision	CBO Cost Estimate (over 10 years) Dollars in billions
Improving Medicare Policies for Clinical Diagnostic Laboratory Tests	Reforms the current Medicare lab fee schedule by adopting market-based private sector payment rates under the Medicare program for lab services. Increases a “sample collection fee” by $2 from an individual in a SNF or by a laboratory on behalf of a home health agency. Mandates a GAO study and report on the implementation of new payment rates for clinical diagnostic laboratory tests no later than October 1, 2018.	-2.5
Using Funding from Transitional Fund for SGR Reform	Uses funds set aside in *H.J. Res. 59, the Bipartisan Budget Act of 2013,* which set aside $2.3 billion for patching the SGR. This provision would use these funds to help offset the cost of this legislation.	-2.3
Ensuring Accurate Valuation of Services Under the Physician Fee Schedule	Allows the Secretary of HHS 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.	-4.0
Realignment of the Medicare Sequester for FY 2014	Realigns the Medicare sequester in 2024 without increasing the overall effect on Medicare providers.	-4.9

*= changes in direct spending that are between $50 million and -$50 million