

## 2018 Feb 9 AMA Legislative Update

Early this morning, the Senate and House passed a fifth continuing resolution to keep the federal government operational until March 23. The spending package, which passed with bipartisan majorities in both the Senate (71-28) and the House (245-182) included a number of health care issues of interest to medicine. The AMA sent a letter urging passage of the bill. Click [here](#) for a high-level summary of several of the bill's key health care provisions.

Technical Amendments to MACRA. Makes several changes to the Medicare Access and CHIP Reauthorization Act (MACRA) that the AMA has been strongly advocating for, including:

- Excludes Medicare Part B drug costs from MIPS payment adjustments and from the low-volume threshold determination;
- Eliminates improvement scoring for the cost performance category for the third, fourth and fifth years of MIPS;
- Allows CMS to reweight the cost performance category to not less than 10 percent for the third, fourth, and fifth years of MIPS;
  - Requires CMS to update on CMS' website by December 31 of each year, information on resource use measures including measures under development, the time-frame for such development, potential future resource use measure topics, a description of stakeholder engagement and the percent of expenditures under Medicare Part A and B that are covered by resource use measures.
- Allows CMS flexibility in setting the performance threshold for years three through five to ensure a gradual and incremental transition to the performance threshold set at the mean or median for the sixth year;
- Allows the Physician Focused Payment Model Technical Advisory Committee (PTAC) to provide initial feedback regarding the extent to which models meet criteria and an explanation of the basis for the feedback.

Physician fee schedule update (in lieu of Misvalued Codes). Reduces the Physician Fee Schedule conversion factor for 2019 from 0.5 percent to 0.25 percent. This is more favorable language than, and is in lieu of, the language in the House bill that would extend the "misvalued codes" provision for one additional year. The AMA estimated, based on the recommendations of the AMA / Specialty Society Relative Value Scale Update Committee (RUC), that the misvalued code provision in the House bill would have reduced the statutory 0.5 percent payment update in 2019 by 0.45 percent. Rejection of the misvalued code policy is an important outcome for future budget saving exercises. On a bipartisan basis, policymakers have recognized that the misvalued code "budget dial" is tapped out and should be shelved.

IPAB. Permanently repeals the Independent Payment Advisory Board (IPAB).

Children's Health Insurance Program (CHIP). CHIP is extended for an additional four years beyond the previous Continuing Resolution's six-year extension, with appropriations made through 2027.

Community Health Centers. Funding for community health centers is reauthorized for two years at a level of \$3.8 billion for FY 2018 and \$4 billion for FY 2019.

Medicare payment cap for therapy services. Permanently repeals the outpatient therapy caps beginning on Jan. 1, 2018

National Health Service Corps. Funding for the National Health Service Corps is extended at the FY 2015 – 2017 annual level of \$310 million for two additional years.

Teaching Health Center Graduate Medical Education. Funding for Teaching Health Center Graduate Medical Education is extended for two years at an annual level of \$126.5 million, more than doubling annual funding for this program.

Geographic Practice Cost Indices (GPCI) floor. Extends the work GPCI floor for two additional years through Jan. 1, 2020.

Reducing EHR Significant Hardship. Removes the current mandate that meaningful use standards become more stringent over time. This eases the burden on physicians as they would no longer have to submit and receive a hardship exception from HHS.

Closing the Donut Hole for Seniors. Closes the Medicare Part D prescription drug “donut hole” sooner than under current law by increasing the discounted price manufacturers provide from 50 percent to 70 percent.

Emergency Medicaid Funds for Puerto Rico and the U.S. Virgin Islands. Puerto Rico’s Medicaid caps for 2018 – 2019 are increased by an additional \$4.8 billion. The Virgin Islands’ caps are increased over the same time period by \$142.5 million. Also, 100 percent federal cost sharing for Medicaid is provided for both territories through September 30, 2019.

Prevention and Public Health Fund (PPHF). The Senate bill reduces funding for the PPHF by \$1.35 billion between FY 2018 – 2027.

Other Select Budget Agreement Provisions:

*Note: there is an agreement to include these funds in the Omnibus before the March 23 deadline.*

- \$6 billion in funding for the opioid crisis and for mental health.
- \$4 billion to rebuild and improve VA Hospitals and clinics.
- \$2 billion for NIH research (above CURES Act increases).



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