

Title —Medicare and Other Health Provisions

Subtitle A - Medicare Extensions

Medicare Physician Payment Update. This provision guarantees seniors have continued access to their doctors by fixing the Sustainable Growth Rate (SGR) through the end of 2013. Medicare physician payment rates are scheduled to be reduced by 26.5 percent on December 31, 2012. This provision would avoid that reduction and extend current Medicare payment rates through December 31, 2013.

Work Geographic Adjustment. Under current law, the Medicare fee schedule is adjusted geographically for three factors to reflect differences in the cost of resources needed to produce physician services: physician work, practice expense, and medical malpractice insurance. This provision extends the existing 1.0 floor on the “physician work” index through December 31, 2013.

Payment for Outpatient Therapy Services. Current law places annual per beneficiary payment limits of \$1,880 for all outpatient therapy services provided by non-hospital providers, but includes an exceptions process for cases in which the provision of additional therapy services is determined to be medically necessary. This provision extends the exception process through December 31, 2013. The provision also extends the cap to services received in hospital outpatient departments only through December 31, 2013.

Ambulance Add-On Payments. Under current law, ground ambulance transports receive add-on to their base rate payments of 2% for urban providers, 3% for rural providers, and 22.6% for super-rural providers. The air ambulance temporary payment policy maintains rural designation for application of rural air ambulance add-on for areas reclassified as urban by OMB in 2006. This provision extends the add-on payment for ground including in super rural areas, through December 31, 2013, and the air ambulance add-on until June 30, 2013.

Extension of Medicare inpatient hospital payment adjustment for low-volume hospitals. Qualifying low-volume hospitals receive add-on payments based on the number of Medicare discharges. To qualify, the hospital must have less than 1,600 Medicare discharges and be 15 miles or greater from the nearest like hospital. This provision extends the payment adjustment until December 31, 2013.

Extension of the Medicare-Dependent hospital (MDH) program. The Medicare Dependent Hospital (MDH) program provides enhanced reimbursement to support rural health infrastructure and to support small rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges. This greater dependence on Medicare may make these hospitals more financially vulnerable to prospective payment, and the MDH designation is designed to reduce this risk. This provision extends the MDH program until October 1, 2013.

Extension for specialized Medicare Advantage plans for special needs individuals. Extends the authority of specialize plans to target enrollment to certain populations through 2015.

Extension of Medicare Reasonable Cost Contracts. This provision allows Medicare cost plans to continue to operate through 2014 in an area where at least two Medicare Advantage coordinated care plans operate.

Performance Improvement. Under the Medicare Improvement for Patients and Providers Act of 2008, HHS entered into a five year contract with a consensus-based entity for certain activities relating to health care performance . . This provision continues this funding through 2013.

This provision also requires HHS to develop a strategy for providing data on performance improvement in a timely manner.

Extension of funding outreach and assistance for low-income programs. This provision extends the funding for one year 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.

Subtitle B - Other Health Provisions

Extension of the Qualifying Individual Program. The Qualifying Individual (QI) program allows Medicaid to pay the Medicare Part B premiums for low-income Medicare beneficiaries with incomes between 120 percent and 135 percent of poverty. Under current law, QI expires December 31, 2012. This provision extends the QI program until December 31, 2013.

Extension of Transitional Medical Assistance. Transitional Medical Assistance (TMA) allows low-income families to maintain their Medicaid coverage as they transition into employment and increase their earnings. Under current law, TMA expires December 31, 2012. This provision extends TMA until December 31, 2013.

Extension of Medicaid and CHIP Express Lane option. The CHIP Reauthorization Act of 2009 created a new option that allows state Medicaid and CHIP offices to rely on data from other state offices, like SNAP and school lunch programs, in making income eligibility determinations for children, called Express Lane Eligibility (ELE). The authority to use ELE expires on September 30, 2013. This provision would extend ELE authority through September 30, 2014.

Extension of Family-to-Family Health Information Centers. This provision continues the Family to Family Health Information Centers (F2F HIC) to assist families of children/youth with special health care needs in making informed choices about health care in order to promote good treatment decisions, cost-effectiveness and improved health outcomes. This provision will help families navigate the health care system so that their children can get the care and benefits they need through Medicaid, SCHIP, SSI, early intervention services, private insurance and other programs. In addition, F2F HICs provide leadership and training for health care providers and policymakers to promote family-centered “medical home” for every child. There is one F2F HIC in every state and the District of Columbia. The total cost of this provision is \$5 million per year.

Extension of Special Diabetes Program for Type 1 diabetes and for Indians. Funds research for type 1 diabetes and supports diabetes treatment and prevention initiatives for American Indians and Alaska Natives. The Special Diabetes Program (SDP) expires at the end of 2013, but early reauthorization is critical to the continuation of the existing research initiatives. This provision would extend the SDP for one year.