
**IN THIS ISSUE**



TAKE ACTION

**January 2014**

# Capitol Briefs

### Proposed Legislation Targets Chronic Illness Management

On Jan. 15, U.S. Sen. Ron Wyden (D-OR) led a bipartisan, bicameral group of lawmakers in introducing the Better Care, Lower Cost Act (S.1932 / H.R.3890), legislation designed to improve Medicare management of beneficiaries with chronic illness. Under the proposed "Better Care Program," interdisciplinary teams formed under "Better Care Plans" and/or "Better Care Practices" will be paid a risk-adjusted, capitated fee per Medicare patient and allowed significant latitude in improving quality and efficiency of care through increased care planning and coordination. Participants will then be awarded for improved outcomes for Medicare beneficiaries. Wyden and his partners are seeking to create a program that mimics accountable care organizations and is specifically tailored to the highest-cost subset of the Medicare patient population. Read more in the *Washington Post* and at NPR.org, and watch the introductory press conference given by the bill's sponsors.

### Enrollment Steady as ACA Takes Effect

On Jan. 1, medical coverage took effect for those newly insured under the Affordable Care Act and, by the end of the month, officials reported that enrollment in insurance exchange plans had reached 3 million. Before October's program rollout, rife with website glitches that prevented many who wanted to sign up for coverage from doing so, the Obama Administration had hoped to sign up 7 million people by March 31, when the first open enrollment period ends. At the current pace, experts predict enrollment may be about 2 million short of that goal. Another 3.9 million low-income Americans are eligible for new coverage in states that are expanding their Medicaid program under the law. Read more in Politico and check out "6 Things Docs Should Know About the ACA" at MedPage Today.

### Growth in Health Care Spending Remains Low in 2012

In early January, the Centers for Medicare & Medicaid Services (CMS) Office of the Actuary reported that overall national expenditures on health care remained low in 2012, growing at a

rate of 3.7 percent to $2.8 trillion. This represents the fourth year of low growth and, for the first time since 1997, a decline in health care spending as a percentage of gross domestic product. In particular, growth in spending for private health insurance, prescription drugs, nursing home care, Medicare and Medicaid stayed relatively low, while the rate of spending on hospitals and physicians increased compared to the prior year. Economists point to the continued impact of the economic recession to explain the overall slowdown. Access the full National Health Expenditure Accounts report, and read more in *Modern Healthcare*.

# AAHPM Weighs In

### AAHPM Comments on Medicare Part D Payment for Beneficiaries in Hospice

On Jan. 10, AAHPM submitted comments on two Centers for Medicare & Medicaid Services (CMS) memoranda to Medicare Part D sponsors related to payment for medications for beneficiaries who have elected hospice. An October notice instructed sponsors to recoup from hospice providers payments for all pain medication dating back to 2011, ignoring long-standing practice that drugs covered under the hospice benefit are solely those related to the terminal condition of the patient. A memo issued Dec. 6 sought to clarify the criteria for determining payment responsibility for hospice beneficiaries' medications, noting "as a general rule, hospice providers are expected to cover virtually *all* drugs for hospice beneficiaries during the hospice election."

In its letter to CMS, the Academy argues that the agency's new requirements discount the expertise of the hospice physician and interdisciplinary care team and ask that they be rescinded and reconsidered through a process that includes a more robust and appropriate level of public scrutiny and stakeholder input. AAHPM's comments were crafted in coordination with the National Hospice and Palliative Care Organization. The Academy also joined its partners in the National Coalition for Hospice and Palliative Care in submitting a joint letter on the matter.

### AAHPM Tells NQF Performance Measures Lacking for HPM Providers

On Jan. 27, AAHPM submitted comments to the National Quality Forum (NQF) on the performance measure recommendations made by the Measure Applications Partnership (MAP) in its 2014 pre-rulemaking report to the U.S. Department of Health and Human Services (HHS). AAHPM offered support for the inclusion of measures in federal programs that address the needs of and improve the quality of life for patients facing life-threatening or serious conditions, as well as their families. However, the Academy

pointed out that few measures currently target these populations, and those that do only address very specific populations. AAHPM noted that broader measures that target this patient population and the care provided by hospice and palliative care providers are critically needed.

### AAHPM Participates in AMA State Legislative Strategy Meeting

Paul Tatum, MD MSPH FAAHPM, a member of AAHPM's Public Policy Committee and its State Health Policy Issues Working Group, joined other representatives of state and national medical specialty societies who gathered Jan. 9-11 to focus on the state-level policy landscape for 2014. The AMA State Legislative Strategy Conference is an annual meeting that provides attendees with the chance to share ideas and learn from experts while considering state-level opportunities and challenges for physicians and their patients. This year's meeting included sessions focused on positioning physicians for success in a new health care marketplace, the role of physician-led health care teams in improving care coordination, innovative state efforts to transform Medicaid programs, and how key stakeholders can work together to address the political and policy issues raised when states seek to address prescription drug abuse and diversion.

### AAHPM Helps Set Patient Quality of Life Coalition 2014 Agenda

On Jan. 15, the new Patient Quality of Life Coalition held its an annual planning meeting in Washington, DC. AAHPM Public Policy Committee Chair Stephen Leedy, MD FAAHPM, AAHPM's Director of Health Policy and Government Relations Jackie Kocinski, and Heart Health Strategies Principal and Senior Vice President Sue Ramthun represented the Academy at the Meeting. The Coalition was formed last year to advance the interests of patients and families facing serious illness, and its members include more than 20 nongovernmental organizations dedicated to improving quality of care and quality of life for these adults and children. The Coalition has developed a consensus-based agenda aimed at promoting public policy that will improve and expand access to high-quality palliative care. The Academy serves as a member of the Coalition's steering committee and worked to ensure that passage of the AAHPM-crafted Palliative Care and Hospice Education and Training Act (PCHETA) was identified a key goal for the group.

## News from HHS

### New Emergency Preparedness Standards Proposed for Hospices: Comment by Feb. 25

Under a newly proposed rule (CMS-3178-P), the Centers for

Medicare & Medicaid Services (CMS) would establish national emergency preparedness requirements for Medicare- and Medicaid-participating providers and suppliers to ensure that they adequately plan for both natural and man-made disasters, and coordinate with federal, state, tribal, regional, and local emergency preparedness systems. (Access a CMS Fact Sheet on the proposal.) The rule lays out specific requirements for hospices. Considering the 3,773 hospices on record as of May 2013, CMS estimates the first-year cost of compliance for these facilities would total just over $10 million. Comments on the proposed requirements will be accepted through 5 p.m. ET on Feb. 25.

### CMS Looks to Ban Abusive Prescribers: Comment by Mar. 7

In a proposed rule (CMS-4159-P) released Jan. 6, CMS seeks to institute a series of changes to Medicare Part D that are intended to reduce instances of fraud and inappropriate prescribing. Under the newly-created authority, CMS could bar practitioners from participating in Medicare Part D if they are not enrolled with Medicare or if their medical or prescribing licenses are not in good standing. Additionally, the proposed rule would allow CMS to remove practitioners from Medicare if the agency "determines that he or she has a pattern or practice of Prescribing Part D drugs that is abusive and represents a threat to the health and safety of Medicare beneficiaries." CMS lists the criteria to be considered when determining if an abusive pattern of prescribing exists. AAHPM's lobbying and consulting firm, Hart Health Strategies, prepared this summary of the rule for Academy members. You can also access a CMS Fact Sheet, and read more in ProPublica. Public comments are due by 5 p.m. ET on Mar. 7.

### CMS to Release Individual Physician Pay Data on Case-by-Case Basis

CMS has issued a notice explaining its new policy for release of individual physician payment data. Beginning Mar. 18, the agency will respond to requests for information regarding amounts paid to individual physicians under Medicare by making make case-by-case determinations that weigh the privacy interest of individual physicians against the public interest in disclosure of such information. Aggregate data sets regarding Medicare physician services will also be made public. CMS Principal Deputy Administrator Jonathon Blum explains the policy change in this Jan. 14 blog post.

## In the States

### New Mexico Judge Finds Patients Have a Right to Physician Aid in Dying

In a January decision, a District Court judge in New Mexico ruled that physician aid in dying is a fundamental right held by the terminally ill, finding the act to be distinct from assisted suicide and thus not covered by the state's 50 year old law that makes assisted suicide a fourth-degree felony. New Mexico's Attorney General has indicated that he is likely to challenge the ruling. If upheld and found to apply statewide, the decision would make New Mexico the fifth state to allow physician aid in dying (Montana, Oregon, Vermont and Washington are the others). Read more in the *Albuquerque Journal* and the Santa Fe *New Mexican*.

### Louisiana Changes Rules to Expand Access to Hospice Services

Under Louisiana Medicaid rules, the state historically would not pay for beneficiaries to receive both hospice services and personal care services. After one hospital refused to discharge a terminally ill patient unless he could receive both kinds of care, though, the state implemented emergency rules allowing both and began the process of creating permanent regulations. The change represents a victory for state hospice advocates and is expected to benefit approximately 200 terminally ill Louisianans who would like to die at home but would not have been able to under the previous rules. The change is also expected to save the state about $600,000, due to increased utilization of the less expensive in-home hospice care. Read more in *The Advocate*.

### Maryland Institutes Landmark Controls on Hospital Spending

On Jan. 10, Maryland announced it will embark on a five-year demonstration program under which the state will eliminate fee-for-service payments from all public and private payers for hospital inpatient and outpatient care and transition to a system that rewards quality of care. The plan is the result of extensive negotiations between state officials, the federal government, and hospitals. Payments, which will be bundled and adjusted based on patient populations, will be scrutinized by state regulators and capped at historical per capita rates of economic growth (roughly 3.5 percent annually). While this change is widely seen as momentous and a potential roadmap for nationwide health cost containment, it is ultimately a deeper commitment to a system that has been in place in Maryland for nearly 40 years. Since the 1970s, the U.S. Department of Health & Human Services has allowed the state to set prices paid to hospitals. As part of the new agreement with federal officials, by 2017 Maryland must submit a plan for reducing per-capita costs for all Medicare spending, including payments to physicians. Read more at Kaiser Health News.

### AMA Survey Identifies Medical Associations' State Legislative Priorities

The American Medical Association (AMA) has published the results

of an annual survey of state and national medical specialty societies designed to identify top issues facing organized medicine at the state level and trends for the 2014 state legislative sessions. According to the survey, implementation of the Affordable Care Act, Medicaid expansion/reform, and ensuring physician-led team-based care are expected to be key legislative and regulatory priorities for state and national specialty societies this year. Access the AMA Advocacy Resource Center's 2014 Prospectus for more detail and state-specific responses.

# Reports & Resources

### Blog Series Focuses on Palliative Care, Health Care Reform

"Measuring Quality of Care for Older Adults With Serious Illness" is the subject of a new post on the *Health Affairs* Blog and the latest in a series addressing palliative care, health policy, and health reform. The series draws from an upcoming publication that examines public policy options with the potential to improve access to quality palliative care and overall value in health care.

### New Report Maps Global Need for Palliative Care

A new report published by the World Health Organization (WHO) and the Worldwide Palliative Care Alliance finds that only 20 countries have integrated palliative care into their health care systems, and nine out of 10 people who need palliative services do not get them. The unmet need is mapped for the first time in the "Global Atlas of Palliative Care at the End of Life," which reports that 80 percent of the need for services is in low- and middle-income countries. The WHO executive board recently called on member states to strengthen palliative care and recommended the World Health Assembly adopt a resolution on the issue when it meets this Spring. Read more in *The Guardian*.

### NIH: New Resources for Pediatric Palliative Care Patients, Providers

A new campaign from the National Institutes for Health National Institute of Nursing Research is designed to expand access to palliative care for pediatric patients and their families. The "Palliative Care: Conversations Matter" campaign drew on stakeholder input to develop evidence-based materials providers can use to initiate palliative care conversations with pediatric patients and their families and continue the dialogue along the course of an illness. Video guidance is available for providers and patient education materials have been developed in English and Spanish. Learn more about the campaign, including how to download or order materials.

### AMA President Reviews Top Federal Issues to Impact

## Physicians in 2014

Are you ready for implementation of ICD-10, aware of key deadlines for attesting to meaningful use of electronic health records, and familiar with how to review physician data before its published this Fall under the Sunshine Act? The president of the American Medical Association (AMA) covers five key federal issues that will impact physicians this year in this AMA Viewpoints blog post.

## Reports Consider EHR Meaningful Use

While use of electronic health records (EHRs) is rising steadily among office-based physicians, a January report from the National Center for Health Statistics shows that only 13 percent of such physicians are both planning and prepared to participate in Stage 2 of the Centers for Medicare & Medicaid Services (CMS) incentive program for Meaningful Use of EHRs. In order to participate in Stage 2, physicians must utilize systems that meet 17 core objectives, such as electronically exchanging notes, diagnostic information, or medication lists with other practices or with CMS. (Read more in MedPage Today.) At the same time, a new study published in *Health Services Research* finds that physicians who use EHRs report that they provide clinical value. The study showed that physicians who are meeting Meaningful Use criteria are more likely to report clinical benefits. Providers who do not meet the Stage 1 requirements by Oct. 3, 2014, will incur a 1 percent reimbursement penalty beginning in 2015.

## Health Insurers Contribute Large Sums for Political Activity

A recent report from the Center for Public Integrity highlights the flow of millions of dollars of “dark money” from large U.S. corporations to politically active nonprofits. According to the study, total corporate giving to such nonprofits -- which include organizations like the U.S. Chamber of Commerce, the Blue Cross and Blue Shield Association, and America’s Health Insurance Plans -- reached nearly $173 million in 2012. Major health insurers accounted for a sizeable portion of the contributions, which support robust political advocacy efforts and are made to entities organized under tax rules that do not require them to disclose the source of their funding. Read more in FierceHealthPayer.

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