Legislative Update
WIPFLI CAH and RHC Conference

Nathan Baugh
Director, Government Relations
(202) 544-1880
Baughn@capitolassociates.org
www.narhc.org

Overview

- ▶ NARHC Political Update
- ▶ New Rules
  - ▶ 2018 PFS Rule
  - ▶ 2018 QPP Rule

Healthcare Reform
Where are we?

▶ Legislation has stalled in the Senate

▶ President Trump and some in the Republican party are calling on the Senate to try again

▶ Senate Majority Leader McConnell has indicated he is going to move on to other issues before trying again

▶ Legislative vehicles for healthcare changes: Debt ceiling/Budget/Appropriations
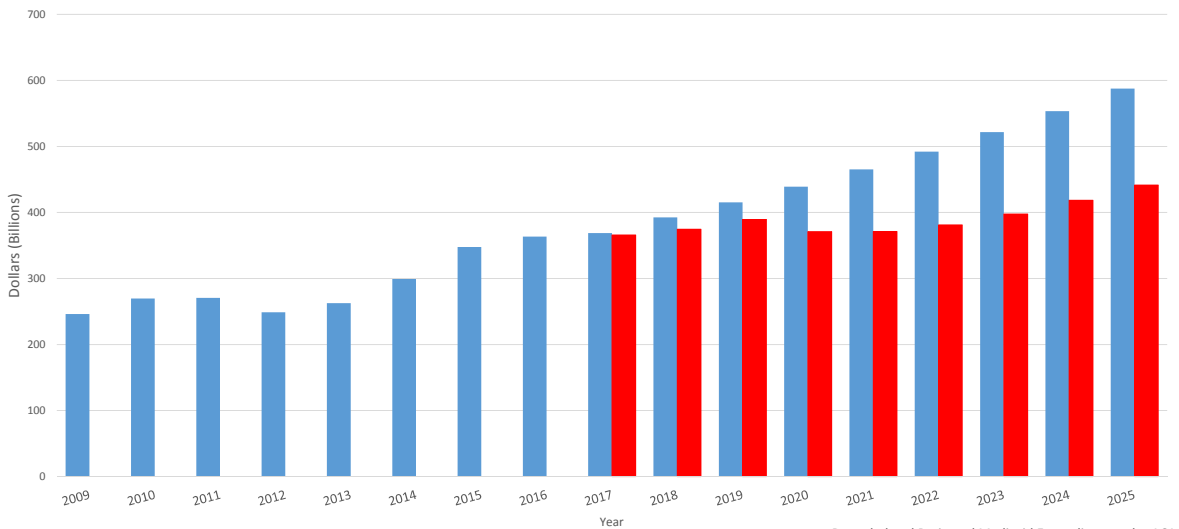
▶ Medicare-focused bill this Congress?

Healthcare Reform
What does it do?

- ▶ Repealed aspects of the Affordable Care Act related to taxing and spending
- ▶ Replaced ACA subsidies with tax credits (varying amounts ~ winners and losers)
- ▶ Sunset Medicaid expansion enhanced FMAP rate – what will states do in response?
- ▶ Promotes the creation of low premium high deductible plans with health savings accounts (HSAs)
- ▶ Placed State Medicaid Programs on a Per-capita budget.

Federal Medicaid spending under ACA vs AHCA

Calculations from data collected by:
https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2016.pdf
https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact.pdf

■ Recorded and Projected Medicaid Expenditure under ACA
■ Projected Federal medicaid Expenditure under AHCA

Year	Projected Federal Medicaid Expenditure under ACA (billions)	Projected Federal Medicaid Expenditure under AHCA (billions)	Percent difference in projected spending between ACA and AHCA
2017	368.9	**	**
2018	392.5	378.5	3.57%
2019	415.3	389.3	6.26%
2020	439	374	14.81%
2021	465.3	376.3	19.13%
2022	492.2	387.2	21.33%
2023	521.6	404.6	22.43%
2024	553.4	424.4	23.3%
2025	587.6	448.6	23.65%

Calculations from data collected by:
https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2016.pdf
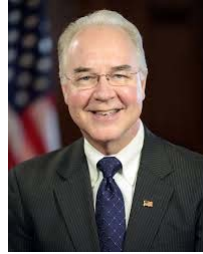https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf

Healthcare Reform
Why do RHCs care?

- Per-capita allotment gives states a strong incentive to stay under budget
- Federal government savings could shift costs onto states but could also force states to innovate their Medicaid programs
- Would states feel a budget squeeze and seek to reduce RHC Medicaid payments?
- Federal mandate establishes the Medicaid payment rate for RHCs

FY 2015 Spending on Medicaid in California	
Rural Health Clinics	$396,877,274
Total	$84,983,400,530
RHC payments as percent of total	0.467%

Healthcare Reform
Trump Administration Policy

▶ With healthcare reform stalled regulatory actions become more significant

▶ What will Tom Price and Seema Verma do?

▶ Over 900 instances of the phrase "Secretary shall" in ACA

▶ Thus far they have largely maintained status quo

▶ Will they want people to sign up on healthcare.gov during the enrollment period?

▶ Will they enforce ACA tax penalties/mandates?

▶ Will they continue Cost-Sharing Reduction (CSR) payments?

▶ Medicaid and ACA waivers

2018 PFS Proposed Rule (Regulatory)

▶ CMS is proposing to expand the care management benefit for RHCs.

　▶ Currently RHCs can only bill for the basic CCM code (99490) which pays $42.71

　▶ Starting next year this code will be GCCC1 and the payment will be approx. $61.37

　▶ GCCC1 is billable if you have provided 99490, 99487 (complex CCM), or G0507 (20 minutes or more of general behavioral health integration services)

　▶ Also adding GCCC2 (payment of approx. $126.33)

　▶ GCCC2 is billable for G0502 (70 minutes of initial psychiatric CoCM) or G0503 (60 minutes of subsequent psychiatric CoCM)

　▶ CMS webinar on these new care management benefits: https://www.cms.gov/Outreach-and-Education/Outreach/NPC/National-Provider-Calls-and-Events-Items/2017-08-01-CCM-Call-Archived.html?DLPage=1&DLEntries=10&DLFilter=care%20manage&DLSort=0&DLSortDir=descending

▶ ACO attribution will no longer require attestation. Any RHC service would qualify the patient as eligible for assignment to an ACO

2018 Proposed QPP Rule (MACRA)

▶ MACRA = Medicare Access and CHIP Re-authorization Act (law)

▶ QPP = Quality Payment Program which is the all encompassing term for both:

  ▶ MIPS (Merit-based Incentive Payment System) and;

  ▶ APM (Alternative Payment Models)

▶ CMS has proposed that the low-volume threshold be greatly increased in 2018

▶ $90,000 part B allowable revenue or 200 Medicare part B patients

▶ Up from $30,000 and 100 part B patients

▶ RHC AIR is not affected by QPP

▶ Clinicians can report individually, or a group, or as a virtual group to participate in or exempt themselves from QPP as they see fit

▶ Quality is coming almost certainly but NARHC has concerns about "false starts"

▶ How and when "quality" comes to the RHC program is unclear

Emergency Preparedness Links/More Information

▶ SCGEmergencyPrep@cms.hhs.gov

▶ https://www.cms.gov/medicare/provider-enrollment-and-certification/surveycertemergprep/emergency-prep-rule.html

  ▶ Above link has several useful FAQs as well as links to the state Healthcare Coalitions

▶ https://asprtracie.hhs.gov/cmsrule

  ▶ ASPR TRACIE also has a lot of resources for healthcare providers.

  ▶ Assistant Secretary for Preparedness and Response (ASPR) Technical Resources, Assistance Center, and Information Exchange (TRACIE)

▶ Nitty Gritty details of emergency preparedness rule can be found in Appendix Z of the State Operations Manual:

  ▶ https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Downloads/Survey-and-Cert-Letter-17-29.pdf

Trump Executive Orders

▶ **Minimizing the economic burden of the ACA**
  ▶ "...shall exercise all authority and discretion available to them to waive, defer, grant exemptions from, or delay the implementation of any provision or requirement of the Act that would impose a fiscal burden on any State or a cost, fee, tax, penalty, or regulatory burden on individuals, families, healthcare providers, health insurers, patients, recipients of healthcare services, purchasers of health insurance, or makers of medical devices, products, or medications."
  ▶ Nondiscrimination rules are a part of the ACA
▶ **Reducing regulation and controlling regulatory costs**
  ▶ Plus 1, minus 2
  ▶ Cost of new regulatory burden for FY 2017 must be zero
  ▶ Emergency Preparedness estimated cost of compliance for RHCs is just over $6,000

NARHC Listservs

▶ http://narhc.org/resources/listserve-ta-calls/

▶ Free
▶ Technical Assistance – RHC specific info – 1 way communication
▶ News – RHC community conversation – 2 way communication – more emails

Questions?

Nathan Baugh
Director, Government Relations
(202) 544-1880
Baughn@capitolassociates.com
www.narhc.org