



Wednesday, January 27, 2016

In this Issue:

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MedPAC Discusses Alternative Payment Models

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New draft health information technology (HIT) improvement legislation is being floated by the Senate Health, Education, Labor and Pensions (HELP) Committee, which would reduce documentation burdens on providers, direct the Government Accountability Office (GAO) to look into matching patients to their records, and grant the Department of Health and Human Services authority to go after vendors that block information sharing. **Read below.**

The US Oncology Network Submits Comments to Chronic Care Working Group

On January 26, The US Oncology Network submitted comments to Senators Johnny Isakson and Mark Warner, co-chairs of the Chronic Care Working Group to offer feedback on the [Chronic Care Working Group Policy Options Document](#).

Specifically, the Network offered comments on:

- Developing Quality Measures for Chronic Conditions
- Increasing Transparency at the Center for Medicare & Medicaid Innovation
- Preserving Access to Cost-Effective, Community-Based Cancer Care

The letter urges the bipartisan lawmakers to consider neutralizing payments across sites of service for all outpatient services as a means to find Medicare savings. The Network strongly supports reforms to ensure Medicare pays the same fee for the same service regardless of where it is performed.

To view the letter, [CLICK HERE](#).

MedPAC Recommends Reducing Hospital Rates for 340B



The Medicare Payment Advisory Commission (MedPAC) recently voted 14-3 to propose a reduction in Part B drug payment rates for hospitals participating in the 340B Drug Discount Program. The reduction would cut the rates by 10 percent of the average sales price of the drugs, generating an estimated \$300 million in savings that would be funneled to hospitals serving some of the most disadvantaged patients.

The recommendations will be included in MedPAC's report to Congress this coming March. Several MedPAC members questioned whether the panel could make the request since the 340B program is managed by the Health Resources and Services Administration (HRSA), and not the Centers for Medicare & Medicaid Services (CMS). MedPAC Chairman Dr. Francis Crosson noted that while the program is overseen by HRSA, 340B is a Medicare expenditure and fair game for the panel to address. Further, Congress tasked MedPAC with reviewing the 340B program in 2015.

In the panel's review, the Commission noted that Medicare pays the same rate to hospitals in the 340B drug program as non-340B hospitals. Yet hospitals receive Part B drugs at a much lower rate than Medicare pays them.

MedPAC Discusses Alternative Payment Models



The Medicare Payment Advisory Commission (MedPAC) met on January 15 to discuss the development of alternative payment models (APMs) and released draft principles for performance and administration. The Centers for Medicare & Medicaid Services (CMS) is in the process of drafting the regulations governing APMs, which are expected to become active in 2019, with a proposed rule expected for release this spring.

MedPAC's draft principles include:

Draft principles

1. Incentive payment for participants only if entity is successful controlling cost, improving quality or both
2. Entity must have sufficient number of beneficiaries to detect changes in spending or quality
3. Entity is at risk for total Part A and Part B spending
4. Entity can share savings with beneficiaries
5. Entity is given regulatory relief
6. A single entity must assume risk

To view the MedPAC presentation on APMs, [CLICK HERE](#).

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The legislation is among others that the HELP Committee will begin reviewing in February as the Senate works on companion legislation to the House-passed 21st Century Cures bill. Chairman Alexander has asked those interested in commenting on the draft HIT bill to provide feedback by January 29.

To view a summary of the draft HIT legislation, [CLICK HERE](#).

To view the draft legislation, [CLICK HERE](#).