

## NEWSSTAND

### Healthcare Update: Short Term "Doc Fix"/Fiscal Commission Proposed Health Cuts

#### Healthcare News From Capitol Hill and The Department of Health and Human Services

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Lawmakers returned to Washington last week to continue the lame-duck session of the 111th Congress, clearing a short-term solution to the pending Medicare cuts for physicians. Meanwhile, the President's bipartisan fiscal commission finalized and released a report aimed at greatly reducing the federal deficit, though the details of the plan proved to be unpopular among those affected by the corresponding spending cuts.

#### **LAWMAKERS AGREE TO SHORT-TERM "DOC FIX":**

Facing a looming 23 percent cut in physicians' Medicare reimbursements on December 1, the House quickly cleared legislation commonly referred to as the "doc fix" on its first day back in session following the Thanksgiving break. The legislation – H.R. 5712 – passed by voice vote with no opposition on November 29, and had already been approved unanimously by the Senate before the holiday.

H.R. 5712 would avert the 23 percent reduction in Medicare reimbursements for one month, and would be paid for by a new Centers for Medicare and Medicaid Services (CMS) policy that reduces payments for multiple therapy services provided to Medicare patients in one day. Though current budget rules exempt the doc fix from needing to be offset, concerns over the federal deficit produced a climate in which only a bill that was fully paid for would be able to advance.

Following House passage, the bill was immediately sent to the White House, and President Obama signed the measure into law the following day, once again staving off the cut and marking the fifth short-term extension of 2010 of the current reimbursement rates for physicians.

Physician advocacy groups praised the short-term doc fix, but also reiterated their call for a long-term solution in order to provide doctors with more stability in their reimbursements and ability to serve Medicare patients. Lawmakers from both parties tend to support a long-term solution, but differ on how to pay for the expensive measure.

#### **PRESIDENT'S FISCAL COMMISSION PROPOSES HEALTH SPENDING CUTS:**

On December 1, the National Commission on Fiscal Responsibility and Reform released its long-awaited report to reduce the deficit – a proposal in which healthcare spending reductions were prominent. The bipartisan commission's plan would cut the deficit by nearly \$3.9 trillion over the next 10 years, and put forth a variety of health spending proposals in order to help achieve such a reduction.

Such healthcare proposals include: Developing a long-term doc fix that is fully offset; overhauling the medical malpractice liability system; increasing cost sharing for Medicare beneficiaries; combating waste and fraud more aggressively; reducing hospitals' medical education payments; and requiring states to take on more Medicaid administrative costs.

The commission's plan was largely greeted with criticism and did not win many endorsements throughout the week, leading up to Friday's commission vote. Though the proposal failed to garner the 14 votes necessary of

the 18 member commission in order to mandate a vote by Congress, it is hoped that the ideas put forth in the report will serve as an impetus in the new Congress to discuss ways to move forward on the difficult choices the government will need to make to bring the budget into balance.

**NEXT STEPS:**

As the lame-duck Congress moves forward, we continue to follow news from Capitol Hill. In addition, we continue to monitor HHS and other agencies, as the implementation of healthcare reform advances and other related matters arise. We will bring you timely updates as new developments occur.

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Should you have any questions on the content of this advisory, or wish to discuss any other healthcare related issue, please contact those listed below or call the Edwards Angell Palmer & Dodge LLP attorney responsible for your affairs.

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