

## NEWSSTAND

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

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### **SENIOR MEDICARE PATROL PROGRAMS RECEIVE FEDERAL GRANTS:**

On October 1, the Centers for Medicare and Medicaid Services (CMS) announced a series of Senior Medicare Patrol (SMP) program grants totaling \$9 million. These grants were awarded to SMPs across the country, and will be administered by the Administration on Aging (AoA) within the Department of Health and Human Services (HHS).

Since the late 1990s, the AoA has funded SMP programs in order to train Medicare beneficiaries on how to recognize Medicare fraud, how to accurately read and understand their Medicare billing statements and how to prevent identity theft. In announcing the latest SMP grants, CMS Administrator Donald Berwick stated: “We are concerned about Medicare fraud and activity by criminals seeking to defraud seniors, and we want to ramp up our local community resources to educate seniors and people with Medicare about how they can help us stop it.” Reflecting the higher risk of Medicare fraud in Florida, New York, California and Texas, the SMP programs in those states received the highest grant awards – \$430,000.

### **CONGRESSIONAL RESEARCH UNVEILS MISSED REFORM DEADLINES:**

Also in early October, the non-partisan research arm of Congress – the Congressional Research Service (CRS) – released a memorandum stating that HHS did not meet seven of 22 recent deadlines regarding the implementation of the new healthcare reform law. CRS based its analysis on information from official sources, such as agency websites and the Federal Register.

HHS quickly refuted the memorandum, stating that the various deadlines required by the healthcare reform law have been met, and stating that CRS’s research incorrectly reported the missed deadlines, such as one to establish a coverage gap discount in the Medicare prescription drug program.

### **MEDICARE PHYSICIAN PAYMENT DEBATE AWAITS IN LAME DUCK SESSION:**

Earlier this year, Congress enacted a short-term fix to ensure that physicians did not see drastic reductions in their Medicare reimbursements – an issue that has been plaguing lawmakers and physicians alike for years, due to a payment formula that has routinely scheduled reimbursement reductions.

Though fixing the issue has received consistent bipartisan support, providing a permanent remedy has been too costly for Congress to stomach, resulting in a series of short-term patches over the past several years instead.

The current, temporary fix expires on November 30, by which time Congress will have to enact another extension, or physicians will face a reimbursement cut of 23 percent on December 1, followed by another 6.5 percent at the

beginning on 2011. This timing makes it likely that issue will be addressed when Congress reconvenes for its post-election lame duck session the week of November 15.

The American Medical Association (AMA) and other physician organizations have strongly urged lawmakers to enact a long-term fix to the problem, citing the highly disruptive nature of reimbursement uncertainties and the potential for providers to stop seeing Medicare patients altogether – a scenario that could jeopardize access to care for many seniors.

In a September 29 letter to House Leadership, the AMA and others noted that without Congressional intervention, the next cut in payments is scheduled to occur at a time “...when physicians may change their status from a Medicare participating physician, who accepts Medicare’s allowance as payment in full, to a non-participating physician who may bill patients more than the Medicare allowance.” Given the payment disruptions that have occurred in 2010 alone, the letter also noted the possibility that physicians will be deciding whether or not it makes sense to continue participating in the Medicare program.

**NEXT STEPS:**

We continue to follow news from CMS and Congress, as the implementation of healthcare reform moves forward and as other related matters arise. We will provide timely updates when such 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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