

NEWSSTAND

Healthcare Update - Last Week in D.C.: News from Capital Hill and the Department of Health and Human Services

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After weeks of uncertainty, Congress finally cleared a federal program extension bill last week that will prevent Medicare physician payment cuts. Down the road at the Department of Health and Human Services (HHS), agency officials prepared to begin the arduous task of implementing various provisions of the new healthcare reform law.

CONGRESS COMPLETES ACTION ON MEDICARE PHYSICIAN PAY:

Ending weeks of back and forth debate, the House and Senate last week approved a final package of short-term extensions of several federal programs that had recently lapsed, such as unemployment benefits. In addition, the legislation – H.R. 4851 – includes a temporary reprieve for physicians from Medicare reimbursement reductions. Originally written to extend the reprieve until only April 30, the legislation approved by Congress now includes an extension to May 31 – at which time lawmakers will need to revisit the issue with a longer-term solution.

Shortly after final passage in the House on Thursday evening, President Obama signed the measure into law.

HHS REPORTS ON HOSPITAL INFECTION RATES:

Meanwhile, HHS released a new report last Tuesday that details potentially troubling findings on infections that patients acquire while in hospitals, warning that such infections are increasing nationwide. In a conference call with reporters, HHS Secretary Kathleen Sebelius categorized the problem as “incredibly serious,” stating that up to 100,000 deaths are related to hospital-acquired infections each year.

This report allows lawmakers to draw attention to provisions in the new healthcare law (Public Law 111-148) that will begin to address this growing problem in the coming years.

Language in the new law states that, beginning in 2014, hospitals in the top 25th percentile of rates of infections acquired in hospitals for high-cost and common conditions will be subject to a penalty in their Medicare reimbursements. In addition, the language requires the HHS Secretary to submit a report to Congress in 2012 on the appropriateness of establishing a similar policy relating to other Medicare providers, such as nursing homes, ambulatory surgery centers, health clinics and inpatient rehabilitation facilities.

NEXT STEPS:

We continue to closely monitor HHS and other relevant federal agencies as implementation of the complex healthcare law begins in earnest, and will provide timely updates as notable developments occur.

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Should you have 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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