

HIGHLIGHTS

H.R. 6331, “Medicare Improvements for Patients and Providers Act of 2008”

As Passed by the Senate on July 9, 2008

- Provides 18-month Medicare physician payment fix, stopping the 10.6% Medicare physician payment cut on July 1, 2008, and the 5.4% cut on Jan. 1, 2009, extending the June 2008 rates through Dec. 31, 2008, and providing an additional 1.1% update for 2009.
- According to CBO cost estimates, a 1% update for 2009 funded in a way that produces no budgetary effects after 2009 would lead to a 21% cut in January 2010. Establishes a Medicare Improvement Fund and deposits \$19.9 billion for use in 2014-17.
- Requires that budget neutrality adjustments for 2007 and 2008 relative value changes be applied to the conversion factor, instead of work relative values, effective in 2009.
- Extends work GPCI floor through 2009 and provides a 1.5 work GPCI for Alaska starting in 2009.
- Extends PQRI reporting for 2 years and provides a 2% bonus payment for reporting.
- Adds new funding and expanded authority for the Medical Home Demonstration Project.
- Provides a 5% pay increase for certain mental health services from July 1, 2008, through Dec. 1, 2009.
- Provides teaching anesthesiologists 100% payment for two concurrent cases starting in 2010.
- Extends the exceptions process for therapy caps through December 31, 2009.
- Allows independent laboratories to bill for pathology services furnished to hospital patients through 2009.
- Permanently extends the accommodation for physicians ordered to active duty in the armed services so that they can engage in substitute billing arrangements for more than 60 days.
- Delays Medicare durable medical equipment (DMEPOS) competitive bidding program for 18 months (offset with reduced DMEPOS payments). Allows HHS to permanently exempt physician suppliers of DMEPOS from DME accreditation.
- Increases asset limits for beneficiaries to qualify for Part D low-income subsidy.
- Expands coverage of Medicare preventive services, including the “Welcome to Medicare” visit.
- Provides Medicare coverage of cardiac and pulmonary rehabilitation services.
- Phases in a reduction in copays for mental health to the same level as other outpatient services (20%).
- Allows Part D coverage of benzodiazepines and barbiturates.
- Provides the same standard for off-label drug coverage under Part D as under Part B.
- Phases out double payment to MA plans for indirect medical education.
- Establishes prohibited federal marketing practices and confers states with authority to regulate MA and Part D marketing abuses. Prohibitions include no marketing activities in physician offices.
- Eliminates the ability of MA private fee-for-service (PFFS) plans to “deem” physicians where there are two or more MA HMO or PPO plans in an area, beginning in 2011.
- Provides a 2% bonus in 2009 and 2010 for e-prescribing by eligible physicians, reduced to 1% in 2011 and 2012 and 0.5% in 2013. If eligible physicians do not e-prescribe, imposes penalties of -1% in 2012, -1.5% in 2013, and -2% in 2014 and beyond. Provides hardship exceptions.
- Requires physicians and other suppliers that furnish advanced diagnostic imaging services (MRI, CT, and nuclear medicine/PET) to meet Medicare accreditation standards by January 1, 2012.
- Extends the Federal Payment Levy program to Medicare providers. This is an IRS program to collect revenues from federal contractors who fail to pay their taxes.