



NAHEFFA Washington Report

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Denver, Colorado

Charles A. Samuels,
Mintz Levin, NAHEFFA
General Counsel
Email: casamuels@mintz.com
and

Michael Rock,
American Hospital Association
Email: mrock@AHA.org

MINTZ LEVIN
Mintz Levin Cohn Ferris Glovsky and Popeo PC



Tax 2.0

All Hat and No Cattle?

- Brady proposal, pre-election House action?
- Make Tax Cuts, SALT Cap permanent
- Tax Corrections
- Revenue raisers?
- TEB Vulnerability or possibilities?
 - ✓ BQ
 - ✓ AR

All Hat and No Cattle



Tax 2.0 continued...

- Senate approach
- Post-election action
- Our preparation and surveillance
 - ✓ Meet with House R's
 - ✓ PFN videos
 - ✓ New IHS studies?
- If House flips?
 - ✓ BQ, AR and other reforms

Securities and Banking Issues

- HQLA legislation passes
- MMF legislation flounders
- 15c2-12 Rule -- 2 new events
 - ✓ Incurrence of defined material financial obligation
 - ✓ Default or similar event as defined
 - ✓ Narrower than proposed
- MSRB Conduit Finance MA Guidance
- GASB Proposal

Hospital Issues



- Addressing the Opioid Epidemic
- Revisiting the 340B Program
- Rural Legislation
- Outpatient Payment Cuts

OPIOID LEGISLATION

- **House Adopted Package of 60+ Bills**
 - **IMD Coverage** Up to 30 days/year for Opioid-use Disorder and Cocaine/Crack
 - **Aligns 42 CFR Part 2 with HIPAA** to Improve Information Sharing Among Providers
- **Senate Floor September**
 - **AHA Priority:** Include 42 CFR and IMD in Senate Package

340B Program

- In CY 2018 final rule, CMS reduced Medicare payments for hospital outpatient drugs for some hospitals in the 340B Drug Pricing Program by nearly 30%--\$1.6 billion.
- Some legislators seeking to scale back program and add additional reporting requirements on providers
- Pharmaceutical companies have launched campaign targeting 340B as a driver of high drug costs

Rural Hospitals

Rural Emergency Medical Center Act of 2018

- Establishes a new designation (REMC) under the Medicare Program allowing CAHs and rural hospitals with 50 or fewer beds to transition to a 24/7 emergency medical center (Open to facilities that have closed within prior 5 years)
- Payment is a fixed facility payment + 100% of outpatient rate
- 24/7 ED, outpatient services (including telehealth), post-acute services
- No inpatient; must provide transportation to an inpatient hospital if needed

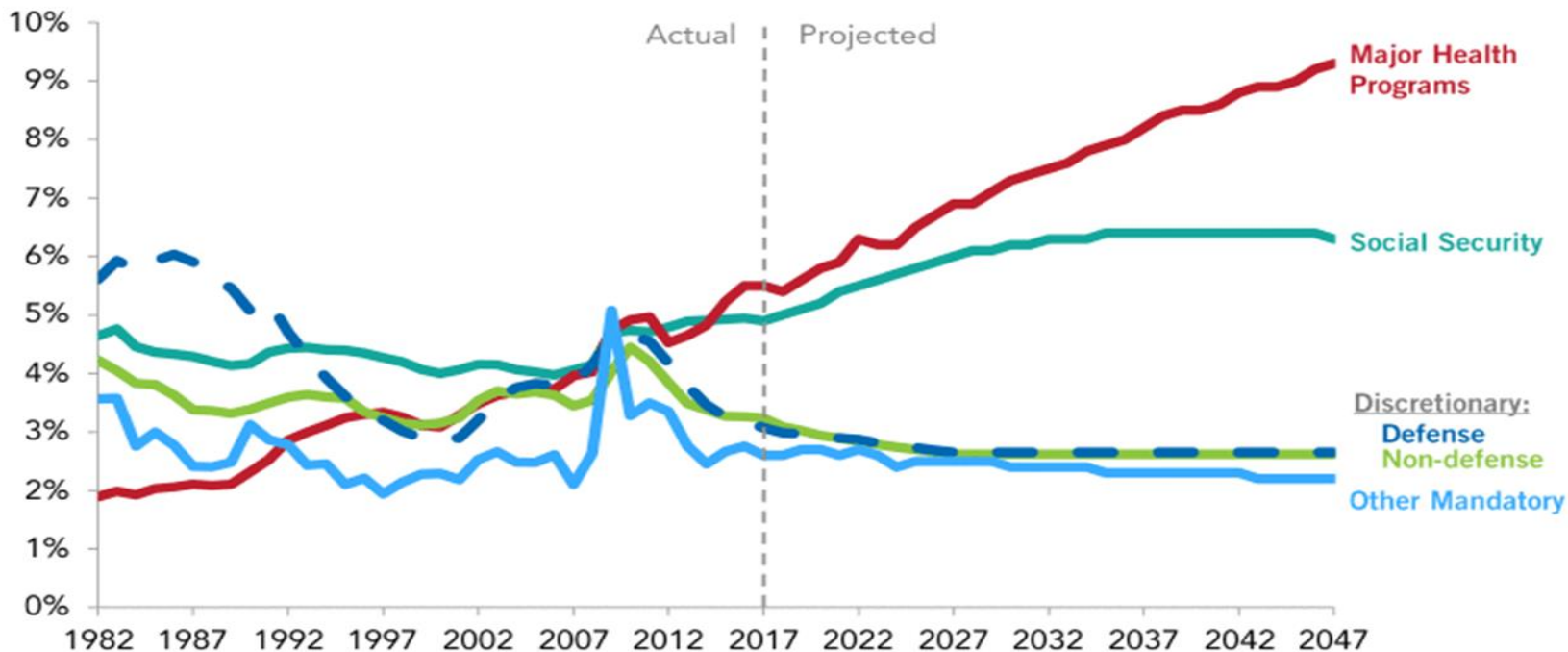
Outpatient Payment

- **Expanded Site-Neutral Policies**
 - Site-neutral rate for E/M services at grandfathered off-campus HOPDs
 - Site-neutral rate for new services at grandfathered off-campus HOPDs
- **Expanded 340B Policies**
 - ASP minus 22.5% drug payment for non-grandfathered off-campus HOPDs

Pressure Mounting on Federal Budget

Health Programs a Key Driver

Federal Spending as % of GDP



SOURCE: Congressional Budget Office, *The 2017 Long-Term Budget Outlook*, March 2017 and *The Budget and Economic Outlook: 2017 to 2027*, January 2017, and PGPF projections based on CBO data.

NOTE: Major health programs include Medicare (net), Medicaid, Children's Health Insurance Program (CHIP), and the health exchanges.



THANKS!

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and
Michael Rock,
American Hospital Association
Email: mrock@AHA.org