



WAYS AND MEANS

The Helping Hospitals Improve Patient Care Act of 2016 (H.R. 5273)

Summary

The bipartisan Helping Hospitals Improve Patient Care Act addresses payments to hospitals and other Medicare providers. Specifically, the bill resolves two discrete issues that stemmed from the enactment of the *Bipartisan Budget Act of 2015 (BBA '15)*. In addition, it contains, among others, provisions that the Committee on Ways and Means previously passed with bipartisan support.

Relief to Hospital Outpatient Departments “Mid-Build”

While Section 603 of the *BBA' 15* closed a loophole relating to Medicare payments for off-campus Hospital Outpatient Departments (HOPDs), the law did not take into account facilities that were “mid-build” as of the date of the enactment (November 2, 2015). In accordance with how such situations are treated in other Medicare payment systems this legislation would allow providers that were already building new off-campus outpatient facilities to be grandfathered into the outpatient payment rates. This provision is offset by a slight reduction in the hospital inpatient documentation and coding adjustments as implemented in the *Medicare Access and CHIP Reauthorization Act (MACRA) of 2015*.

Relief to Hospital Outpatient Departments in Dedicated Cancer Centers

This legislation maintains the current law separate payment system for cancer hospitals providing an exemption from the HOPD policy created in the *BBA' 15*, and would allow cancer hospitals to continue to be paid at cancer hospital rates at new off-campus locations. This provision is offset by a slight reduction in the payments cancer hospitals currently receive as calculated by their Payment to Cost Ratio (PCR).

Refinements of the Medicare Hospital Readmissions Program

This provision provides a bridge to improved consideration of socioeconomic status in the Hospital Readmissions Reduction Program to prevent penalizing hospitals that serve low-

income patients, without masking socioeconomic disparities. Until reports and data required under the *Improving Medicare Post Acute Care Transformation Act of 2014 (IMPACT)* are available, the Secretary of Health and Human Services (HHS) would compare performance of hospitals that service similar proportions of dual-eligible individuals in applying adjustments under the Readmissions program. After the *IMPACT* studies are completed, the Secretary would be able to adjust the performance based on the *IMPACT* data and research.

Other Provisions

The Helping Hospitals Improve Patient Care Act also includes a number of other provisions that have previously passed the Committee on Ways and Means, including a “mid-build” exception to the current law on increasing the number of beds for long-term care hospitals (LTCHs); modification of the treatment of ambulatory surgery center patient encounters for the meaningful use program; a delay in CMS authority to terminate contracts for Medicare Advantage plans failing to achieve minimum quality ratings as CMS conducts research and reports on socioeconomic status and quality ratings; and a requirement that CMS report Medicare enrollment data by Congressional district. The bill also includes an extension of the rural community hospital demonstration program and direction that CMS improve the notice provided to individuals upon Medicare eligibility. In addition, the legislation requires a cross walk of ten inpatient surgical codes that will be linked to outpatient surgical codes.

The legislation is fully offset.