



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

May 19, 2014

To: Health Subcommittee Members

From: Majority Committee Staff

Re: Hearing on “Keeping the Promise: Site-of-Service Medicare Payment Reforms”

On Wednesday, May 21, 2014, at 10:15 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Health will hold a hearing entitled “Keeping the Promise: Site-of-Service Medicare Payment Reforms.” The purpose of the hearing is to give members an opportunity to hear from a variety of stakeholders about proposed site-of-service payment reforms in Medicare.

I. Witnesses

Panel I:

- Mark E. Miller, PhD, Executive Director, Medicare Payment Advisory Commission.

Panel II:

- Reginald W. Coopwood, M.D., President and Chief Executive Officer, Regional Medical Center at Memphis;
- Dr. Steven Landers, President and CEO, Visiting Nurse Association Health Group;
- Barry D. Brooks, M.D., Partner, Texas Oncology; Chairman, Pharmacy & Therapeutics Committee, The US Oncology Network;
- Peter W. Thomas, J.D., Principal, Powers Pyles Sutter & Verville, PC, and Coordinator, Coalition to Preserve Rehabilitation; and,
- Barbara Gage, Managing Director and Economic Studies Fellow, Engelberg Center for Health Care Reform, The Brookings Institute.

II. Background on Site of Service Medicare Payment Reforms

Recent months have seen continued policy discussion of the merits of various site-neutral and post-acute care payment reforms. With the Committee’s ongoing interest in modernizing Medicare’s benefit and payment structures, the Committee is using this hearing to examine the issue with stakeholders.

The Medicare Payment Advisory Commission (MedPAC) is an independent agency established to advise the U.S. Congress on issues affecting the Medicare program. MedPAC has examined how site-of-service payment reforms could reduce program outlays and beneficiary spending. In their June 2013 Report to Congress, MedPAC analyzed, but did not specifically recommend, a range of possible site-of-service payment reforms, including:

- Equalizing Medicare payment rates across settings for Evaluation and Management (E&M) office visits;
- Aligning payment rates between Hospital Outpatient Departments (OPDs) and physicians' offices for other types of ambulatory services;
- Aligning payment rates between OPDs and physicians' offices for cardiac imaging services; and,
- Equalizing payment rates between OPDs and Ambulatory Surgery Centers for certain ambulatory procedures.¹

MedPAC also has examined post-acute care (PAC) providers who deliver recuperation and rehabilitation services to Medicare beneficiaries after an acute hospital stay. PAC providers include skilled nursing facilities, home health agencies, inpatient rehabilitation facilities, and long-term care hospitals.²

III. Legislative Proposals

At the hearing, the Subcommittee will explore legislative proposals that seek to equalize payments between different providers and examine whether these or other similar proposals can save money for seniors and the Medicare program, without compromising the quality of care. The proposals are:

- H.R. 2869, Medicare Patient Access to Cancer Treatment Act of 2014: This bill, introduced by Mr. Rogers of Michigan, would establish payment parity under the Medicare program for ambulatory cancer care services furnished in the hospital outpatient department and the physician office setting.
- H.R. ___, Bundling and Coordinating Post-Acute Care (BACPAC) Act of 2014: This bill, to be introduced by Mr. McKinley of West Virginia, would provide bundled payments for post-acute care services under Parts A and B of Medicare.

IV. Staff Contacts

Should you have any questions regarding the hearing, please contact Josh Trent, Chris Pope, or Robert Horne at 202-225-2927.

¹ For more information, see chapter 2 of MedPAC's June 2013 report to Congress:
http://www.medpac.gov/documents/Jun13_EntireReport.pdf

² Ibid.