

News Currents

In Brief

Negotiators Tackle Reform Legislation

Conference Committee May Be Bypassed

Senate and House negotiators are poring over the details of health care reform legislation passed in their respective houses, attempting to merge the two documents into a single overhaul of the U.S. health care system



for President Obama to sign sometime in January.

At press time, lawmakers were not formally in session and were not scheduled to return to Washington until January 19, leaving staff to hash over the differences in the two bills.

There was much talk that the Senate-approved legislation, passed on Christmas Eve in a strictly partisan vote

by majority Democrats, would be the basis for these negotiations.

There was also speculation that the two houses would not convene a traditional conference committee and instead work on the outstanding issues informally under direction of House and Senate leaders to avoid procedural maneuvering by minority Republican members.

A number of long term care issues remained in a state of flux, as did more general issues in both bills. The American Health Care Association (AHCA) has led efforts to ensure the most palatable amount of Medicare cuts in any final bill, as well as positive language to extend the Medicare therapy cap exceptions process and delay the implementation of resource utilization groups (RUGs) IV. AHCA wants to postpone implementation until Oct. 1, 2011.

AHCA also spearheaded a “dear colleague” letter by Rep. Zack Space (D-Ohio) to House Speaker Nancy Pelosi (D-Calif.) asking her to preserve critical Medicaid funding for skilled nursing facilities in the final health care bill. The House version of the bill contained such funding.

Also, since there was no final action on the therapy exceptions process, the caps went into effect at the start of 2010.

Industry leaders are hopeful, however, that, as in the past, a legislative fix will reinstate—possibly in the final health care reform bill—the exceptions process and all claims will be corrected on a retroactive basis from Jan. 1, 2010.

HHS Publishes Adjusted FMAP Rates For Third, Fourth Quarters

The U.S. Department of Health and Human Services (HHS) in December finalized the adjusted federal medical assistance percentage (FMAP) matching rates for Medicaid programs covering the third and fourth quarters of fiscal year 2009.

The HHS announcement, published in the *Federal Register*, finalizes the higher federal matching rate provided for in the American Recovery and Reinvestment Act of 2009. According to the stimulus law, each state receives a 6.2 percent raise in the FMAP matching rate on a temporary basis. More funds would be available according to the jobless rate in each state.

The FMAP boost covers the period that began Oct. 1, 2008, and ends Dec. 31, 2010.

In another FMAP-related development, the House passed a \$150 billion job-creation bill before members departed for 2009.

The legislation, which still must be acted on by the Senate, would allocate \$23.5 billion to extend the higher FMAP match for payments to doctors providing services to Medicaid beneficiaries through June 2011.

At press time, the Senate was working on health care reform legislation and was not expected to take up the jobs bill until returning to work in January 2010.

—Patrick Connoles

The Centers for Medicare & Medicaid Services has issued a directive for providers to “hold their claims” for services provided since the start of the new year “until it becomes clearer as to whether new legislation will be enacted to extend these provisions.”

—Patrick Connoles