

PUBLICATION

Don't Forget Medicare and Other Extenders

Authors: Sheila P. Burke

September 05, 2017

There are numerous Medicare programs (referred to as Medicare "extenders") that have already expired or will expire later this year, prompting congressional action. If Congress were to reauthorize all provisions for another two years, the cost would be approximately \$6 billion.

The expiring Medicare extenders, with their approximate two-year cost and expiration dates, are listed below.

- Physical, occupational and speech language therapy cap exception process created by Congress in 2006, which enables Medicare beneficiaries to exceed the annual per-patient cap for therapy based on medical necessity (\$1.9 billion; expires December 31)
- Geographic Practice Cost Index (GPCI) floor, which sets at 1.0 the variable Medicare uses to adjust the work component of physician payments based on where they live, basically exempting physicians in certain, often rural, areas from any adverse consequence from this policy (\$1.1 billion; expires December 31)
- Medicare low-volume hospital add-on payments, which help offset the costs of operating a hospital that has a low number of Medicare discharges (\$1.1 billion; expires September 30)
- Add-on payment for ground ambulance services, including in super rural areas (\$400 million; expires December 31)
- Funding for National Quality Forum (NQF) review, endorsement, and maintenance of quality measures and the ACA-defined pre-rulemaking process through which the NQF-convened Measure Applications Partnership provides input to the Department of Health and Human Services (\$100 million; expires September 30)
- Medicare-Dependent Hospital Program extension for rural hospitals with no more than 100 beds serving a high percentage of Medicare beneficiaries (\$400 million; expires September 30)
- Funding for outreach and assistance to low-income populations, including State Health Insurance Programs, Area Agencies on Aging, Disability Centers and the National Center for Benefits Outreach and Enrollment (\$100 million; expires September 30)
- Medicare add-on for home health services in rural areas (\$200 million; expires December 31)
- Authority for Medicare Advantage Special Needs Plans, which allows plans to limit enrollment to certain high needs populations (\$600 million; expires December 31, 2018)

There are a host of other provisions expiring at the end of FY17 (September 30) as well, totaling approximately \$9.75 billion if reauthorized for another two years, which could find their way into a Medicare extenders package. These provisions and their approximate two-year cost are listed below.

- Additional funding for Community Health Centers, the National Health Service Corps, and Teaching Health Centers (\$8 billion)
- The Indian Health Service's Special Diabetes Programs (\$600 million)
- Abstinence-only education programs (\$100 million)
- "Personal Responsibility" Education Programming for states and other groups to address teen pregnancy and HIV/STD prevention, youth development, and adult preparation (\$100 million)

- Family-to-family health information centers at the state levels, which assist families with children with disabilities or special needs (<\$50 million)
- Health Workforce Demonstration Project for Low-Income Individuals, assisting with education and training for in-demand health care positions (\$200 million)
- Maternal, Infant, and Early Childhood Home Visiting Programs providing states, territories and tribes with funding for evidence-based in-home visiting programs for at-risk families (\$700 million)

Takeaway: Congress typically addresses these provisions at the last minute (previously as part of annual "doc fix" legislation), and they are likely to be included as part of another must-pass bill in Fall 2017 – such as a CHIP reauthorization package or a continuing resolution or debt-ceiling bill. Of course, any package that includes these extenders will need to be paid for with corresponding savings, which will create challenges in finding fiscal offsets.