



## Vice President Biden and Rep. Paul Ryan Spar Over Medicare and Obamacare Issues

### *Vice Presidential Debate Results in Counterpunches on Healthcare*

Last week's debate between **Vice President Joe Biden** and the Republican challenger **Rep. Paul Ryan** was intense when they discussed solutions to Medicare's long-term solvency and the future of Obamacare. **Rep. Ryan** defended the Romney campaign approach in extending the solvency of Medicare by providing seniors with a choice of traditional Medicare as an option to private health coverage (through a so-called "premium support" model). **Vice President Biden** said that he and **President Obama** would not "be part of any voucher plan." He said the "voucher" would not guarantee coverage and would not keep up with health care costs "because if it did keep pace with health care costs, there would be no savings...."

**Rep. Ryan** called **VP Biden's** charge that premium support would increase beneficiary costs by \$6,400 "completely misleading" and countered that the Republican plan would be affordable because "Medicare subsidizes your premiums, not as much for the wealthy people, more coverage for middle-income people, and total out-of-pocket coverage for the poor and the sick." As to Obamacare, **Rep. Ryan** argued that the law will take \$716 billion out of the Medicare program in order to finance the new law. **Vice President Biden**, however, said the law will extend the life of the Medicare trust fund by cutting

the cost of Medicare and stopping overpayments to providers while increasing benefits, including filling in the Part D "doughnut hole."

**Rep. Ryan** also criticized the Independent Payment Advisory Board stating that "We would rather have 50 million future seniors determine how their Medicare is delivered to them instead of 15 bureaucrats deciding what -- if, where, when, they get it...." This debate will continue even beyond the election in that the Congress and whoever is President will have to address the coming insolvency of Medicare. In this connection the bipartisan "Gang of Eight" senators held three days of meetings in an effort to come to some consensus on the deficit and debt problems facing the nation. They met with former **Senator Alan Simpson** and former **White House COS Erskine Bowles** to seek their views, including the Medicare solutions contained in the Simpson/Bowles presidential commission's 10-year deficit reduction plan.

### *Inside*

MedPAC Discusses Caps on Therapy Services	2
IOM Report Urges HIV/AIDS Baseline for Obamacare	2
MA Five Star Ratings Issued	2
Bundled Payment Initiatives Delayed	2
Senator Rockefeller Seeks Information on Drug Abuse	2
Bioethics Commission Recommendations on Genome Sequencing	3

## MedPAC Discusses Caps on Therapy Services

**M**edPAC commissioners met to discuss recommendations on how to improve the Medicare payment methodology connected with physical, speech and occupational therapy. The chairman highlighted the conundrum related to the current system of caps, saying that “Returning to a system of hard caps, no exceptions, would, in fact, impede access to needed care....if we have no caps and do nothing else, we’re talking about an increased Medicare expenditure above the current law baseline of

roughly \$1 billion a year or \$10 billion over 10 years.” Possible changes that were discussed include: reducing the certification period for the outpatient therapy plan of care from 90 days to 45 days and using PPACA authorities to target high-use geographic areas and aberrant providers; placing a temporary moratorium on the enrollment of new providers, requiring providers to re-enroll, or suspending payments for services that show a high risk of fraud; and implementing payment edits at the national level that target implausible amounts of therapy.

Another set of recommendations include: reducing therapy caps for physical therapy and speech language pathology services combined and for occupational therapy while implementing a manual review process for requests to exceed cap amounts; and including services delivered in hospital outpatient departments under therapy caps and applying a multiple procedure payment reduction of 50% to the practice expense portion of outpatient therapy services provided for the same therapy on the same day.

### IOM Report Urges HIV/AIDS Baseline for Obamacare

**T**he Institute of Medicine released a 170-page report urging the Administration to create a baseline estimate of health coverage and utilization for those with HIV before Obamacare becomes fully effective in 2014. The report said that the baseline could be established and then monitored going forward using data from Medicare, Medicaid, CDC, the Ryan White HIV/AIDS Program and private health insurers.

### Bundled Payment Initiatives Delayed

**T**he Center for Medicare and Medicaid Innovation (CMMI) announced that it will delay and re-evaluate the implementation of the first of four bundled payment initiatives which involves acute care admissions and post-discharge services. The agency will also review the proposals of other potential participants in the other three bundled payment models before making final selections.

### MA Five Star Ratings Issued

**C**MS announced that eleven Medicare Advantage plans will receive “five star” top quality rating bonuses for 2013. Ratings are based on 48 quality measures, including preventive screenings, managing chronic conditions and patient experience. In addition, CMS said the number of Medicare beneficiaries having access to the 26 four or five star prescription drug plans will double in 2013 (up to 18%).

### Senator Rockefeller Seeks Information on Drug Abuse

**I**n letters to major groups representing physicians, nurses, dentists, pharmacists, medical schools and other health professionals, the Chairman of the Senate Finance Subcommittee on Health Care, **Sen. John D. Rockefeller**, asked for information about the daily challenges that health professionals face when prescribing drugs and ideas to help ensure that prescribers are equipped with the tools and resources to help reduce prescription drug abuse.

## Bioethics Commission Recommendations on Genome Sequencing

**T**he Bioethics Commission released a report on the benefits of “whole genome sequencing” for individual patients, but cautioned that there is the potential for misuse of personal

data. The commission report recommends that federal and state governments: establish a floor of privacy protections that apply to all genetic tests, regardless of how a sample was obtained; prohibit gene

sequencing without prior consent; establish guidelines for informed consent; and ensure the privacy and security of cloud-based computer databases that store genetic information.