

Zika Update



Health Policy Briefing

August 8, 2016

The Centers for Disease Control and Prevention (CDC) have confirmed that mosquitos in Miami have infected at least 15 residents with the Zika virus. In response to a request from Governor Rick Scott, the agency has sent eight experts to the area for the purpose of lab testing, vector control and Zika prevention for pregnant women. The Florida Department of Health will also be providing Zika testing to pregnant women at no cost. The CDC has warned against pregnant women traveling to the affected Miami neighborhood, marking the first time it has advised against traveling a part of the continental U.S. The agency also announced last week the release of \$16.4 million in additional funds to combat the Zika virus. The grants will be awarded to 40 states and territories for the purpose of rapid detection of microcephaly. In a letter to senior appropriators in both chambers, U.S. Department of Health and Human Services (HHS) Secretary Sylvia Mathews Burwell confirmed that funding on hand for domestic Zika response would be exhausted by the end of September. The remaining funding will be spent on activities such as the deployment of emergency response teams, testing Zika specimens, state and local grants to combat mosquitos, and studying the health effects of the virus. In the letter, the Secretary highlights the need for Congress to provide additional dollars toward Zika, or risk a funding lapse that would put critical Zika response efforts – like mosquito surveillance, studies at the National Institutes of Health (NIH), and phase II Zika vaccine trials – on hold. Lawmakers on both sides of the aisle are becoming increasingly anxious about the lack of funding to fight Zika as the number of cases in Florida continue to increase. Senate Democrats reiterated their support for ending summer recess early to return to Washington and pass a Zika funding package. Sen. Bill Nelson (D-Fla.) sent a letter to Senate Majority Leader Mitch McConnell (R-Ky.) requesting that the chamber pass a \$1.1 billion emergency funding bill without offsets through a pro-forma session during the congressional recess. Speaker of the House Paul Ryan (R-Wis.) wrote an op-ed for USA Today defending the House-passed funding package that was blocked by Democrats in the Senate. President Obama also criticized lawmakers for their failure to act and for politicizing the public health crisis. The current number of confirmed cases of Zika in the United States and territories is up to 7,373 – an increase of nearly 1,000 cases since last week.

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GAO Releases Report on Uncompensated Care

A new **report** from the Government Accountability Office (GAO) finds that federal action is needed to better align payments to hospitals to more accurately allocate uncompensated care costs and reduce the potential for overpayments. The report evaluates federal support for health care services provided by U.S. hospitals to uninsured and low-income individuals. The GAO found that hospitals were covered for almost \$50 billion in uncompensated services in fiscal years (FY) 2013 and 2014, with three-quarters of these payments made by state Medicaid programs. The remainder of the uncompensated care payments was made by the federal Medicare program. The report explains that there is a misalignment with the Medicare Uncompensated Care payment, which could potentially result in greater payments to hospitals whose provision of uncompensated care is declining. Additionally, the agency notes that the Centers for Medicare and Medicaid Services (CMS) does not adjust the Medicare Uncompensated Care payment for the Medicaid payments hospitals already receive to offset their uncompensated care costs. The U.S. Department of Health and Human Services (HHS) has concurred with the GAO's findings and recommendations.

Conservatives Request Strategy Session on CR

According to a July 13 letter obtained by CQ last week, members of the conservative House Freedom Caucus and the Republican Study Committee have written to their party leadership requesting a special House Republican conference meeting to discuss plans for passing a continuing resolution (CR) before the end of fiscal year (FY) 2016. A stopgap spending measure needs to be passed by September 30 in order to avoid a government shutdown. Members of the Freedom Caucus have been particularly outspoken in their support for a six-month continuing resolution that would prevent an omnibus-spending package from being negotiated during a lame duck session. Speaker of the House Paul Ryan (R-Wis.) and Senate Majority Leader Mitch McConnell (R-Ky.) have not expressed a preference for the duration of a FY 2017 CR, and it is unknown if and when a meeting on the subject will be held.

Readmissions Penalties Hit a New High

The Medicare program's penalties on hospitals for their readmission rates have reached an all time high, according to new records released last week. The penalties now account for more than a half a billion dollars in payments withheld from more than half of the nation's hospitals. While the number of hospitals being punished – 2,597 – remains relatively stable compared to the previous year, the average penalty will increase by a fifth. The penalties are expected to total \$528 million, an increase of \$108 million over last year, because of changes in how readmissions are measured. The penalties are based on the re-hospitalization rate for patients with a number of common conditions: heart attacks, heart failure, pneumonia, chronic lung disease, hip and knee replacements, and coronary artery bypass graft surgery.

Upcoming Congressional Meetings and Hearings

House Veterans' Affairs Subcommittee on Health Field Hearing titled "Technology and Treatment: Telemedicine in the VA Healthcare System;" 9:00 a.m. (local time), Camarillo Public Library, 4101 E Las Posas Road, Camarillo, CA 93010; August 9