

America's Healthy Future Act of 2009
TECHNICAL CORRECTIONS TO REDLINE OF THE CHAIRMAN'S MARK
October 5, 2009

On Friday October 2, 2009, the Finance Committee posted a document to its website that identified changes made to the Chairman's Mark through the Modification to the Mark and by amendments adopted during the Committee's consideration of the legislation.

In reviewing the redline document, several items in need of technical clarification or correction were identified. Therefore, the Finance Committee is posting a list of these clarifications and corrections.

CORRECTIONS

Page 56, Children's Health Insurance Program

The maintenance of effort requirement for children in Medicaid and for CHIP expires on September 30, 2019, not on December 31, 2019 as the document indicates.

Page 116, CMS Innovation Center

Strike the sentence beginning with "To be approved for expansion" and ending with "individualized care plans."

Page 126, Redistribution of Unused Graduate Medical Education Slots

The GME redistribution pool was reduced to 65% in the Modification to the Mark.

The implementation date for the redistribution of residency slots should be July 1, 2011 rather than July 1, 2010.

Page 252, Review and Report by the U.S. Department of Veterans Affairs

The review and report by the Secretary of the U.S. Department of Veterans Affairs shall review and report to Congress on the effect of the fees outlined in Title VI of the Chairman's Mark not just the fees on branded drugs and medical devices.

CLARIFICATIONS

Page 12, Grandfathered Plans

Any individual or group with existing coverage would be able to keep this plan through the grandfather policy – not just those with a policy equal in value or greater than the "young invincible" plan.

Page 23, Deductible for Small Employer Plans

The deductible amounts for small employer plans (\$2,000/\$4,000) are indexed to premium growth.

Page 35, Penalty Amount in 2017 and Beyond

The penalty amount of \$750 is indexed to CPI-U after 2017.

Page 35, Threshold for Affordability Exemption

The 8% threshold for the affordability exemption is indexed in the same manner as the income caps in the exchanges.

Page 38, Cap on Employer Penalty

The \$400 cap on the employer penalty is indexed to premium growth.

Page 116, CMS Innovation Center

The list of potential opportunities for improving quality and reducing costs are intended to be illustrative not binding; the Secretary would have authority to focus on identifying, designing, testing, and evaluating models that would be expected to reduce program costs while preserving or enhancing the quality of care received by individuals receiving benefits.

Page 128, Promoting Greater Flexibility for Residency Training Programs

Hospitals and eligible training sites participating in a jointly operated residency training program will receive GME payments proportional to the resident costs incurred at each facility.

Page 164, MA Coding Intensity

The policy to transition current MA benchmarks to competitively bid benchmarks from 2011 through 2013 also includes the current law coding intensity adjustment over that time frame.

Page 168, Grandfather Policy for MA Plans

The grandfather policy applies only to beneficiaries enrolled in MA on the date of enactment and excludes rebate payments or performance bonus payments under competitive bidding.

The Secretary shall review the utilization factor for grandfathered plans and only allow factors that reasonably capture added use of care from the extra benefits allowed by the grandfather provision based on historical bids.

Page 174, MA Private Fee-for-Service Plans

The waiver for employer-based PFFS plans only applies to employer-sponsored plans (as defined in 1857(i)(2)) that have enrollment as of the date of enactment.

Page 176, Provider-Specific Cap on Home Health Outlier Payments

The Secretary would continue to withhold 5% from episode payments for the outlier pool, with payouts capped at 2.5%.

Page 183, Extension of Section 508 Reclassifications

In implementing this provision, the Secretary shall use the hospital wage index promulgated in the Federal Register on August 27, 2009 (74 Fed. Reg. 43754) and any subsequent corrections.

Page 187, Medicare Market Basket Cuts

The first paragraph should read: “For hospitals, the provision would require a market basket minus 0.25% reduction in 2010 (effective January 1, 2010) and 2011 for inpatient and outpatient hospitals, inpatient psychiatric facilities, inpatient rehabilitation and long term care hospitals.”

Page 187, Productivity

The first sentence should read: “The provision would provide for updates based on the MB or CPI minus full productivity for all Parts A and B providers, except for Graduate Medical Education, who are subject to a MB or CPI update.”

Page 188, Clinical Labs

Add to the fifth year of the 1.75% reduction x percentage point additional reduction to equal \$100 million in additional savings.