Policy Brief

February 22, 2019

New Proposals Seek to Advance Interoperability

The Centers for Medicare and Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC) have released rules on patient data and interoperability. Both seek to promote the convenient, secure exchange of data and decrease the practice of "information blocking." Secretary Azar calls these steps "essential to building a health care system that pays for value rather than procedures." The proposals have been submitted to the Office of the Federal Register for publication; their final language may vary slightly. Read more for highlights.

CMS: Interoperability and Patient Access Proposed Rule

- Allows CMS to publicly report any hospital refusing to share data.
- Requires that Medicare-participating hospitals send electronic patient notifications to community providers whenever a patient is admitted, discharged or transferred.
- Mandates that patients be provided with electronic access to their health information and medical claims by 2020.
- Requests comment on how to promote interoperability in the post-acute setting.

ONC: Notice of Proposed Rulemaking to Improve the Interoperability of Health Information

- Requires that apps providing patient data *not* charge individuals for access.
- Sets an Application Programming Interface (API) standard for transmitting information.
- Requires certified EHRs to adhere to Data Segmentation for Privacy rules, which allows for nuanced privacy handling of substance use disorder data.
- Outlines the seven exceptions that will not be considered information blocking, as prohibited by the 21st Century Cures Act.

Where is Value in the Discussion on Site Neutral Payments?

Hospital Outpatient Provider-Based Departments (HOPDs) are receiving a lot of scrutiny from policy makers and this is likely to continue. Recently, thirty-eight hospitals sued the Department of Health and Human Services (HHS) over the CY 2019 Outpatient Prospective Payment System (OPPS) rule that slashes reimbursement for clinic visits provided in HOPDs by 40%. As lawmakers are looking to curb the cost of health care, it is no surprise that they are looking at site neutral payments. However, the steep cuts are indicative that policy makers may not be considering the value provided by HOPDs. Below is more about the current discussion and how value should be at the center.

Policy makers began to look at site neutrality in response to accusations of hospitals buying physician practices and converting them into HOPDs to receive higher reimbursement. They argued that hospitals were being rewarded for up charging for the same services. "It doesn't make sense for taxpayers, and it certainly doesn't make sense for patients because they end up having to pay more depending on the site of service," stated CMS Administrator Seema Verma. Policy makers are now signaling a potential change in reimbursement to free-standing emergency departments and post-acute care providers.

Reducing health care spending is an important part of the conversation but should not be the only factor considered when exploring site neutral payments. Health systems have the potential to provide a more effective continuum of care with an outpatient network. One study has shown that hospital-owned physician practices are positively correlated to chronic disease management and better quality of care than physician-owned practices. Cutting reimbursement in the outpatient setting may disincentivize hospitals from investing in services that contribute to a value-based world. As hospitals and health systems respond to the increased scrutiny, it is worth asking if HOPDs provide patients value in ways that other providers do not.

State of the Union Review: Part 2

Although health care issues were not the center of attention during the State of the Union (SOTU) address, the President highlighted several health initiatives as priorities for the duration of his tenure. He doubled down on some policies like banning late term abortions, a platform for his political base, but changed course on other issues like boosting research on childhood cancer, a change seemingly intended to appease a more independent audience. Read below to learn more on each initiative and any actions taken toward implementation.

Drug Pricing: Increasing Transparency, Decreasing Cost

The drug pricing issue is by far the most likely to move forward as ground work has been laid for progress on both sides of the aisle. The Democrats have proposed various pieces of legislation but each of the proposals take a different approach to the resolution. The onslaught of proposals indicate there will be bipartisan movement on this issue but how soon will it happen remains to be seen. Drug pricing will likely be a talking point for 2020 presidential hopefuls.

HIV/AIDS: Eliminating New Transmissions

The President made an ambitious promise to defeat AIDS in America, asking Democrats and Republicans to make the needed commitment to eliminate the HIV epidemic in the United States within 10 years. Advocacy groups like the AIDS Institute praised the announcement. After the speech, the Department of Health and Human Services released a document on the plan to concentrate funding for treatment and prevention in the geographic areas of the country with the highest infection rates.

Childhood Cancer: Increasing Funding and Research

First Lady Melania Trump brought Grace Eline as her guest to the SOTU. Grace is a 10-year-old girl who was diagnosed with brain cancer and received radiation as part of her treatment last year. The President is requesting $500 million over the next 10 years to fund pediatric cancer research. This stance is a pivot from his previous budget, which advised Congress to cut funding for the National Institutes of Health.

Reproductive Rights

This topic is the least likely to receive bipartisan support as it is an emotionally charged and divisive issue. However, the President reiterated his stance on reproductive rights by criticizing efforts to roll back restrictions on reproductive health in New York and Virginia. President Trump asked Congress to pass legislation that prohibits late term termination of pregnancy. In 2018, Senate Republicans voted on a bill that banned the termination of a pregnancy after 20 weeks gestation. The bill failed by a large margin and still lacks the votes. The House, however, now has a majority that supports reproductive rights.

CMMI Announces New Payment Model

The Center for Medicare and Medicaid Innovation (CMMI) recently announced a new voluntary payment model that will change the way Medicare reimburses ambulance suppliers and providers for low-acuity 911 calls. The "Emergency Triage, Treat and Transport (ET3)" model will allow ambulances to triage Medicare patients and take them to areas other than the emergency room, such as physician practices urgent care clinics, or even use telemedicine. The model will be available only to Medicare fee-for-service beneficiaries but CMMI will encourage participants to also partner with state Medicaid agencies to implement the model. This is just one of various payment models that CMMI is working on. CMS also sent a transmittal to Medicare Administrative Contractors regarding the development of a 90-day bundled payment model for radiation oncology. For a CMS fact sheet about the ET3 model, click here.

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