

Pathway for SGR Reform Act of 2013

*Averts Medicare Physician Payment Cuts as
Congress Continues to Work on a Replacement of the Flawed SGR Formula*

Protects Current Medicare Beneficiaries

- **“Doc Fix”:** Prevents the 20.1% cut in reimbursement to doctors who treat Medicare patients on January 1, 2014 and replaces it with a 0.5% increase until April 1, 2014.

Creates an On-Ramp for Permanent Physician Payment Reform

- In order to facilitate reform next year, the bill includes findings that the Centers for Medicare and Medicaid Services (CMS) should continue to focus its efforts on the following areas:
 - Simplify and reduce administrative burden on physicians
 - Timely feedback for physicians
 - Encourage new models development

Extends Medicare Programs

- Extends Medicare work Geographic Practice Cost Index (GPCI) floor for 3 months
- Extends Medicare ambulance add-on payments for 3 months
- Extends Medicare therapy cap exception process for 3 months
- Extends Medicare adjustment for Low-Volume hospitals for 3 months
- Extends Medicare-dependent Hospital (MDH) program for 3 months
- Extends funding for National Quality Forum (NQF), a consensus-based entity regarding performance measurement for 3 months
- Extends funding outreach and assistance for the following low-income programs for 3 months:
 - State Health Insurance Counseling Programs (SHIPs)
 - Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs)
 - The National Center for Benefits Outreach and Enrollment
- Extends Qualifying Individual (QI) Program for 3 months
- Extends Transitional Medical Assistance (TMA) for 3 months
- Extends Family-to-Family Health Information Centers for 3 months
- Extends Medicare Advantage Special Needs Plan for 1 year
- Extends Medicare Reasonable Cost Contracts for 1 year

Medicaid Disproportionate Share Hospital (DSH) Relief and Rebase

- Relieves safety net providers of Medicaid Disproportionate Share Hospital (DSH) reductions in FY2014 and delays the scheduled FY2015 cut for a year. Rebases DSH allotments in FY2023 based on FY2022 levels.

Medicare Sequester Realignment

- Realigns the Medicare sequester in 2023 without increasing the overall effect of the sequester on Medicare providers.

New Criteria for Long Term Care Hospital (LTCH) Payments and the 25% Rule

- Establishes new criteria for patients admitted to LTCHs in order for the LTCH to receive the increased LTCH rate. Patients with stays longer than 3 days in an Intensive Care Unit (ICU) or are on a ventilator, qualify for the higher payment rate. All other cases are reimbursed at the equivalent of a stay in an inpatient facility. Delays application of the 25% rule for 3 years.

Delays “Two-Midnight Rule” for Hospitals

- Prevents HHS from enforcing the "two-midnight rule," which requires a patient stay of two-midnights in a hospital to qualify for inpatient status, for an additional 6 months. HHS has previously delayed enforcing this policy for 6 months.