CARLTON FIELDS

Congress Sends Mixed Messages to Health Care Providers

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Recent federal health care legislation sent mixed signals to health care providers. Pursuant to HR 4302, signed by President Obama on April 2, planned Medicare reimbursement cuts of 24 percent and the implementation of a complex set of billing codes were delayed, measures likely to mollify physicians. However, through the same legislation, Congress accelerated a moratorium on long-term care hospitals.

While the delay of the planned Medicare reimbursement cuts no doubt brought physicians relief, Congress missed an opportunity to provide a permanent solution. Rather, it continued its annual tradition of extensions. Republicans proposed a bill that would have provided permanent relief, but Democrats found it unpalatable because it also proposed a delay of the Affordable Care Act's individual mandate.

Additionally, in reliance on statements made by the Centers for Medicare and Medicaid on February 28, 2014, providers had been actively planning to implement the International Classification of Diseases version 10, a new billing code system. But HR 4302 now blocks its implementation until October 2015.

Delays are not universal under HR 4302. The legislation accelerates the moratorium on long-term care hospitals (LTCH) from January 2015, to April 2014. The moratorium affects new LTCHs and new beds in existing LTCHs. The blow of this abrupt freeze is softened by three exceptions, that provide relief if, on or before April 1, 2014, the LTCH had: 1) begun its qualifying period for payment under federal law; 2) a binding written agreement with an unrelated party for construction, renovation, lease, or demolition of an LTCH, and had expended at least 10 percent of the estimated cost; or 3) obtained a certificate of need.