MEDICARE RECONCILIATION PROVISION'S
HCFA Priorities - Top Ten
(7/23/97)

Issue[1]	Agreement	Position
Private Fee for Service Plans	In bill with no beni protections against out-of-pocket costs	Oppose inclusion. Argue for premium and balance billing protection
Prudent Purchasing	Inherent reasonableness auth. capped at 10 % No Centers of Excellence Competitive bidding demo only 5 states, no ability to go forward after demos	Seek Senate position with no cap. Seek House provision Seek "trigger" authority that would allow the Secretary to expand to unlimited sites for a particular item or services if the demonstration of bidding for such items or services achieved savings without negatively impacting quality
Carve-out	IME, DME Carve-out of managed care rates but DSH not included	Seek Commerce/Senate provision which includes DSH
Administrative Resources	Only funding for MSA of $4-5 million thru approps, no tap on the Trust Fund	Need $150 million thru tap on the Trust Fund for "new activities," not specified in Pres. Plan - OMB discussion needed
Medigap	House provision on newly enrolled guaranteed issue; Senate provision allowing aged bene., in managed care plans, to choose fee for service and Medigap plan during initial 12 month period; creates 2 new high deductible plans; no provision for initial open enrollment for disabled	At least seek Senate proposal on disabled; Go back to Pres. Plan to include Medigap plan in open enrollment
Mammography copays	Not in bill	Want waiver of copays

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DME upgrade	In bill	Oppose
Hospital transfers to Post-Acute settings	No provision at all	At least need House Provision. Saves $3.7 billion over 5 years
MSP	In bill for 3 years	Need 5 years
DSH	A version of senate cuts	Oppose. Want no DSH cut.

1.This document does not include the topline priorities being addressed by OMB/White House including: 1)Home Health Reallocation, 2) Medicare Eligibility, 3) Home Health copays, 4) Income-related Part B Premium, 5) Private Contracts between benis & doctors with no limiting charge, 6) MSA demo, 7) Medical Malpractice, 8) Commission

MEDICARE RECONCILIATION PROVISION

Other HCFA Priorities
(7/23/97)

Issue	Agreement	Position
Competitive Pricing	Creates office of competition with direct reporting to sec.	Demo can be run directly through Secretary, but we need full disscretion in how that is done, i.e., we believe a separate office is unnecessary
	4 sites initially with one in LA and FL, at least one rural; 3 more after 2000 if okay by adv. Cmte.	Advisory Committee should provide advice only; decision on expansion should be the Secretary's decision.
	Flex on payment except that senate proposal must be used in Fl or LA.	Senate proposal would result in changes with Part B premium. This would be disruptive and may be costly to beneficiaries. Proposal is prescriptive and give no incentives for plans to give there best price.
	House position on Advisory Panels	Okay, if waiver of the Advisory Committee Act is included and panels give advice only.

Issue	Agreement	Position
Rehab -- OT/PT cap	Capped at $1500 and indexed	Cap still represents an arbitrary limit and would result in the denial of medically necessary services for some beneficiaries (such as those recovering from strokes)--Scope of current limit should not be expanded until fee schedules are implemented and Secretary has opportunity (based on this new data) to develop a less arbitrary limit.
Speciality Lab Carriers and Uniform Lab policies	In bill with negotiated rulemaking	Oppose speciality carrier provision unless bill directly appropriates $40 million for implementation. Support uniform coverage standards but not through negotiated rulemaking -- standards would be added to coverage manual not code of federal regulations through consultation process.
Choice quality and external review	Current law with direction that external review cannot duplicate accreditation requirements, with Sec. discretion to waive on a plan by plan basis	Oppose - Secretary should control the scope of external review - Beneficiaries should always have access to external review entity in the case of quality complaints. Supports original Senate provision.
Choice/PLUS Plan requirements	Significantly reduce minimum commercial enrollment requirement Entity would not be required to have experience bearing risk	Minimum Commercial enrollment requirements should be retained as in Administration's bill -- Entities should have experience bearing risk

Issue	Agreement	Position
PSO	Still open	As in the Administration's bill -- a substantial proportion of services should be provided directly by affiliated providers -- only a very limited proportion of services should be provided other than through affiliated providers or providers with contracts with the entity -- all affiliated providers should have a financial stake in the PSO
Cost Contracts/HCCP	Bill would retain cost and HCPP options	Include provision in Administration bill that would prohibit further cost contracts and eliminate the cost contract option after 5 years. In addition, managed care entities would no longer be able to provide services as HCPPs
Add'l benefits/premiums in managed care	Open issue - additional benefits and premiums would vary by county within a service area	Benefits and premiums should be uniform within a plan's services area
Bad Debt	Suspect cut is in	Oppose