

## President's FY19 Budget Medicare Legislative Proposals

(Deficit increases (+) or decreases (-) over the FY19 – 28 window).

\*\* Denotes that the budget impact is unavailable as of the publication date.

MEDICARE LEGISLATIVE PROPOSAL	COST ESTIMATE
<b>DRUG PRICING AND PAYMENT IMPROVEMENTS</b>	
Require Medicare Part D plans to apply a substantial portion of rebates at the point of sale	+\$42.2B
Establish a beneficiary out-of-pocket maximum in the Medicare Part D catastrophic phase	+\$7.4B
Exclude manufacturer discounts from the calculation of beneficiary out-of-pocket costs in the Medicare Part D coverage gap	-\$47B
Increase Medicare Part D plan formulary flexibility	-\$5.5B
Eliminate cost sharing on generic drugs for low-income beneficiaries	-\$210M
Permanently authorize a pilot on retroactive Medicare Part D coverage for low-income beneficiaries	-\$300M
Improve manufacturers' reporting of average sales prices	N/A
Establish an inflation limit for reimbursement of Part B drugs	**
Authorize the HHS Secretary to leverage Medicare Part D plans' negotiating power for certain drugs covered under Part B	**
Modify payment for drugs purchased by hospitals through the 340B discount program and require a minimum level of charity care for hospitals to receive a payment adjustment related to uncompensated care value	**
Reduce wholesale acquisition cost payments	**
<b>ADDRESS OPIOIDS</b>	
Require plan participation in a program to prevent prescription drug abuse in Medicare Part D	-\$100M
Provide comprehensive coverage of substance abuse treatment in Medicare	**
<b>REFORM PAYMENT AND DELIVERY SYSTEMS</b>	
Give Medicare beneficiaries with high deductible plans the option to make tax deductible contributions to Health Savings Accounts	+\$180M
Modify Medicare payments to hospitals for uncompensated care	-\$138.4B
Establish a unified payment system based on patients' clinical needs rather than site of care	-\$80.2B
Reduce Medicare coverage of bad debts	-\$37B
Pay all hospital-owned physician practices located off-campus at the physician practice rate	-\$34B
Reform and expand durable medical equipment competitive bidding	-\$6.5B
Reduce hospital payments when a patient is quickly discharged to hospice	-\$1.3B
Cancel funding from the Medicare Improvement Fund	-\$193M
Expand basis for beneficiary assignment for Accountable Care Organizations (ACOs)	-\$140M
Allow ACOs to cover the cost of primary care visits	-\$60M
Expand the ability of Medicare Advantage organizations to pay for services delivered via telehealth	N/A
Reform physician self-referral laws	**
Require prior authorization when physicians order certain services excessively to their peers	**

<b>MEDICARE LEGISLATIVE PROPOSAL</b>	<b>COST ESTIMATE</b>
<b>REDUCE PROVIDER BURDENS</b>	
Repeal the ACA's Independent Payment Advisory Board (IPAB)	+\$29.5B
Eliminate certain reporting burden and requirements for the use of Electronic Health Records (EHRs)	N/A
Eliminate the requirement of a face-to-face provider visit for durable medical equipment	N/A
Eliminate reporting burdens associated with the Merit-based Incentive Payment System (MIPS)	N/A
Eliminate certain thresholds and burdens for participation in Advanced Alternative Payment Models (A-APMs)	**
<b>IMPROVE THE MEDICARE APPEALS SYSTEM</b>	
Provide additional resources for Medicare appeals	+\$1.1B
Change the Medicare appeal council's standard of review	N/A
Establish a post-adjudication user fee for level 3 and level 4 unfavorable Medicare appeals	N/A
Increase minimum amount in controversy for administrative law judge adjudication of claims to equal the amount required for judicial review	N/A
Establish magistrate adjudication for claims with amount in controversy below new administrative law judge amount in controversy threshold	N/A
Expedite procedures for claims with no material fact in dispute	N/A
Limit appeals when no documentation is submitted	N/A
Remand appeals to the redetermination level with the introduction of new evidence	N/A
Require a good-faith attestation on all appeals	N/A
<b>MEDICARE INTERACTIONS FROM MULTI-AGENCY PROPOSALS</b>	
Reduce fraud, waste, and abuse	-\$907M
Medicare-Medicaid enrollee proposals (Medicare impact)	-\$693M
Reform graduate medical education payments (Medicare impact)	-\$195B
Reform medical liability (Medicare impact)	-\$30.7B
Change conditions on first generic exclusivity	-\$1.8B
Other interactions	+\$6B
<b>TOTAL, MEDICARE LEGISLATIVE PROPOSALS</b>	<b>-\$493.7B</b>

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