



Health Care Policies in the *Bipartisan Budget Act (H.R. 1892)*

The *Bipartisan Budget Act* was signed into law on February 9, 2018. While the main purpose of the legislation is to temporarily fund the federal government through March 23, 2018, it also includes an agreement to raise the caps on domestic and military spending for the next two years. The legislation includes many health care policies, as well. The major policies are described below.

	Policy	Description
New Funding		
	National Institutes of Health (NIH)	Commits \$1 billion per year in new funding for FY18 and FY19 ¹
	Opioid Epidemic	Commits \$3 billion in new funding per year for FY18 and FY19 to support substance abuse and mental health programs, including enhanced state grants ²
Extenders and Reauthorizations		
	Children’s Health Insurance Program (CHIP)	Extends funding for an additional 4 years, through 2027, beyond the 6-year extension passed in January 2018
	Community Health Centers	Funds Community Health Centers at \$3.8 billion for FY18 and \$4 billion for FY19, up from \$3.6 billion in FY17 ³
	Maternal, Infant and Early Childhood Home Visiting Program	Reauthorizes 5 years of funding at the current level of \$400 million per year through FY22; funding had expired in FY17
	Medicare “Extenders”	Extends several programs that must be passed by Congress every 1-2 years including: Medicare Dependent Hospital Program; low-volume hospital adjustment; ambulance add-on payments; home health rural add-on payments; State Health Insurance Programs; Area Agencies on Aging; Aging and Disability Resource Centers
	Medicare Therapy Caps Repeal	Permanently repeals the cap on Medicare coverage of therapy services; previously, occupational therapy was capped at \$2,010, and physical therapy and speech-language therapy were capped at \$2,010 combined ⁴
	National Health Service Corps	Extends funding at the current level of \$310 million per year for FY18 and FY19
	Teaching Health Center Graduate Medical Education Program	Increases funding from \$60 million per year to \$126.5 million per year for FY18 and FY19
Policy Changes		

	Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act	Policies to improve care for Medicare beneficiaries with chronic conditions (additional detail in the table below)
	“Doughnut Hole” Closure	Requires drug companies to provide larger discounts to Medicare beneficiaries who fall into the “doughnut hole” coverage gap starting in 2019, one year earlier than 2020 in current law ⁵
	Independent Payment Advisory Board (IPAB)	Repeals IPAB, a board established in the Affordable Care Act (ACA) to reduce Medicare spending if it exceeds target levels; the IPAB had never been triggered because of slow Medicare spending growth and the board was never appointed ⁶
	Medicaid Disproportionate Share Hospital (DSH) Cuts	Includes a two-year delay, through 2019, of the pay cuts to safety net hospitals established in the ACA
	Medicare Home Health Reform	Shortens the home health authorization period from 60 days to 30 days effective January 1, 2020; changes the documentation needed to show eligibility for Medicare home health services

Key Offsets

	Medicare Parts B & D Premiums	Increases premiums on Medicare beneficiaries with incomes over \$500,000 (\$750,000 for couples filing jointly)
	Physician Fee Schedule Update	Changes the annual payment update from 0.5% to 0.25% in 2019
	Prevention and Public Health Fund (PPHF)	Includes \$1.35 billion in cuts to the PPHF over 10 years

	Policy	Description
CHRONIC Care Act⁷		
	Independence at Home Demonstration	Extends the demonstration for 2 years through September 2019; increases the cap on total beneficiaries from 10,000 to 15,000
	Medicare Advantage (MA)	Makes MA Special Needs Plans permanent; expands the MA Value-Based Insurance Design (VBID) model to all states; allows MA plans to offer non-medical supplemental benefits;
	Accountable Care Organizations (ACOs)	Allows prospective assignment of beneficiaries to ACOs; allows ACOs to offer primary care incentive payments through Beneficiary Incentive Programs
	Telehealth Services	Allows in-home telehealth assessments for home dialysis therapy; eliminates geographic restrictions on telehealth services for individuals with stroke symptoms; gives MA plans more flexibility to offer additional telehealth services; allows some ACOs to provide telehealth services in a beneficiary’s home regardless of geographic location

	Studies	Requires 3 Government Accountability Office (GAO) studies on: serious or life-threatening illness, improving medication synchronization, and the impact of obesity drugs on patient health and spending; requires a Department of Health and Human Services (HHS) study on long-term risk factors for chronic conditions
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ENDNOTES

¹ U.S. Senate, Majority Leader Mitch McConnell. (2018, February 9). McConnell Secures Kentucky Priorities [Press release]. Retrieved February 14, 2018, from <https://www.mcconnell.senate.gov/public/index.cfm/pressreleases?ID=2801B1FD-39B4-49E7-96D3-C12FB35B09CA>

² Ibid

³ Pear, R. (2018, February 8). From Clinics to Child Insurance, Budget Deal Affects Health Care. Retrieved February 13, 2018, from <https://www.nytimes.com/2018/02/08/us/politics/budget-deal-health-care.html>

⁴ Rovner, J., & Luthra, S. (2018, February 07). Bipartisan Senate Budget Deal Boosts Health Programs. Retrieved February 13, 2018, from https://khn.org/news/bipartisan-senate-budget-deal-boosts-health-programs/?utm_campaign=KFF%3ATheLatest&utm_source=hs_email&utm_medium=email&utm_content=60586654&_hsenc=p2ANqtz_1jog4SEsJDMS6zaG6NSAImgpU4XXOMIzXVqA8qokZOtkoB1VpvEBeGoiaCwDCrGgVQyGQceA1TpOHqw0wfVGkVhJmLA&_hsmi=60586654

⁵ Pear, R. (2018, February 8). From Clinics to Child Insurance, Budget Deal Affects Health Care. Retrieved February 13, 2018, from <https://www.nytimes.com/2018/02/08/us/politics/budget-deal-health-care.html>

⁶ Keith, K. (2018, February 9). New Budget Bill Eliminates IPAB, Cuts Prevention Fund, And Delays DSH Payment Cuts. Retrieved February 15, 2018, from <https://www.healthaffairs.org/doi/10.1377/hblog20180209.194373/full/>

⁷ Senate Committee on Finance. (2017, April 6). CHRONIC Care Legislation Improves Care for Medicare Beneficiaries. Retrieved February 14, 2018, from <https://www.finance.senate.gov/imo/media/doc/CHRONIC%20Care%20Act%20of%202017%20One-Page%204.6.17.pdf>



Center for Healthcare Research & Transformation
2929 Plymouth Road, Suite 245 • Ann Arbor, MI 48105-3206
Phone: 734-998-7555 • chrt-info@umich.edu • www.chrt.org

Suggested Citation: Randolph, Maggie; Udow-Phillips, Marianne. *Health Care Policies in the Bipartisan Budget Act (H.R. 1892)*, (Ann Arbor, MI: Center for Healthcare Research & Transformation, February 2018)