BILL FLORES, CHAIRMAN

RSC THE REPUBLICAN STUDY COMMITTEE

H.R. 5210: PADME Act, as amended (Price, R-GA)

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FLOOR SCHEDULE:

June 22, 2016 under a suspension of the rules, which requires a 2/3 majority for passage.

TOPLINE SUMMARY:

H.R. 5210 would combine several bills that would increase oversight of the termination of Medicaid providers, require states to publish a list of Medicaid providers, extend the transition period to the new payment rate for durable medical equipment, and prevent any funds from a eugenics compensation program to be counted as income for purposes of receiving any means-tested federal benefits.

COST:

No Congressional Budget Office (CBO) estimate is available. However, according to an estimate provided by the Majority Leader's office, over fiscal years 2016-2021 this bill is expected cost $15 million while over fiscal years 2016-2026 there is not expected to be a net fiscal impact.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

Provider Eligibility

Prior to the passage of the Affordable Care Act, if a state terminated a provider's participation in the Medicaid program for fraud or other poor behavior, the provider could continue participate in Medicaid in another state. This left states excessively vulnerable to waste, fraud and abuse. Section 6501 of the ACA increased scrutiny on these providers by requiring states to terminate Medicaid providers who had been terminated in another state due to fraudulent or criminal activities. However, a 2014 report by the Office of the Inspector General (OIG) found continued participation of providers in Medicaid after being terminated by a state. According to the report, Medicaid paid $7.4 million to 94 providers for services provided after termination from the initial state. The OIG found the lack of a comprehensive data source for identifying providers as one cause for a state's inability to accurately identify terminated providers.

This bill would increase oversight by requiring states to report identifying information on terminated Medicaid providers to the Secretary of Health and Human Services (HHS). This information would include the provider's names, specialty, date of birth, reason for the termination and effective date. In addition, managed care entities would be required by the state to include a provision in their contract that providers who had previously been terminated from Medicaid, Medicare or the Children's Health Insurance Program (CHIP) would be ineligible to participate in a managed care entity's network serving Medicaid patients. Beginning on January 1, 2018, no federal funds would be used to pay for managed care expenditures if the entity does not comply with this requirement. The secretary, in consultation with state Medicaid agencies, would establish a uniform terminology regarding the reasons for provider termination. Providers who participate in a fee-for-service model or through a managed care entity, would be required to enroll with the state and provide identifying information. This bill would ensure all the requirements made under this bill would also be applicable to CHIP. This language was previously passed unanimously by the House in H.R. 3716.

Provider Directory
Next, this bill would require states to publish a directory of Medicaid providers and indicate if the provider is accepting new patients. This language was previously passed unanimously by the House in H.R. 3716.

Durable Medical Device Reimbursement
This bill would delay from June 30, 2016 to September 30, 2016, the deadline for the implementation of phase II of CMS' competitive bidding process to non-competitively bid areas (CBAs) for durable medical devices. Phase I of the new reimbursement adjustment took place on January 1, 2016, and some homecare providers are afraid implementing Phase II only six months later would cause a disruption of beneficiaries' benefits, especially in rural areas. In addition, the bill would require the Department of Health and Human Services to conduct a study on the impact of the payment adjustment.

Eugenics Compensation
Finally, this bill would prevent payments made under a state eugenics program to be counted as income or resources in determining eligibility for any federal benefit.

COMMITTEE ACTION:

This bill was introduced by Representative Price and referred to the House Committee on Energy and Commerce and the Committee on Ways and Means where it awaits further.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Consistent with the understanding and interpretation of the Commerce Clause, Congress has the authority to enact this legislation in accordance with Clause 3 of Section 8, Article 1 of the U.S. Constitution.

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