

May 20, 2010

The Honorable Harry Reid
Majority Leader, United States Senate
S-221, United States Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader, United States Senate
S-231, United States Capitol
Washington DC 20510

The Honorable Nancy Pelosi
Speaker, United States House of
Representatives
H-232, United States Capitol
Washington, DC 20510

The Honorable John Boehner
Minority Leader, United States House of
Representatives
H-204 – United States Capitol
Washington, DC 20510

RE: Action Needed to Address Medicare Policies that Expire on December 31, 2010

Dear Majority Leader Reid, Speaker Pelosi, Minority Leader McConnell, and Minority Leader Boehner:

The undersigned representatives of national patient, health care professional and provider organizations request your immediate action to address harmful Medicare policies that will go into effect on January 1, 2011 without legislative action in Congress. Failure to pass legislation to extend these various Medicare policies will prompt limited access to services for beneficiaries in rural and other under-served areas, payments cuts to health care professionals, as well as the creation of an unsustainable health care environment. The combination of these policies impact a wide spectrum of the health care delivery process, including access to care through ambulance services, performance of diagnostic laboratory tests, and extensive rehabilitation services needed to return Medicare beneficiaries to their homes and communities. The policies impact patients and health care providers including solo practitioners, post-acute care facilities and community hospitals that serve patients with various diagnoses and impairments.

Many of these Medicare policies have been temporarily addressed by Congress in multiple bills over the past decade including a temporary extension of these provisions for 2010 as part of the recently passed health care reform laws. Without Congressional action by December 31, 2010 these policies will expire and revert back to the detrimental provisions that limit access, beneficiary choice, and provider reimbursement. These Medicare extenders must be addressed immediately.

The following are a listing of provisions that have been addressed by Congress in the past. The undersigned organizations, patient groups and health care societies request an extension of these provisions beyond December 31, 2010.

- **Extension of the work geographic index floor and revisions to the practice expense geographic adjustment under the Medicare physician fee schedule.** Extends a floor on geographic adjustments to the work portion of the fee schedule through the end of 2010, with the effect of increasing practitioner fees in rural areas. Also provides immediate relief to areas negatively impacted by the geographic adjustment for practice expenses, and requires the Secretary of HHS to improve the methodology for calculating practice expense adjustments.
- **Extension of exceptions process for Medicare therapy caps.** Extends the process allowing exceptions to limitations on medically necessary therapy.
- **Extension of payment for the technical component of certain physician pathology services.** Extends a provision that allows independent laboratories to bill Medicare directly for certain clinical laboratory services.
- **Extension of ambulance add-ons.** Extends bonus payments made by Medicare for ground and air ambulance services in rural and other areas.
- **Extension of certain payment rules for long-term care hospital services and of moratorium on the establishment of certain hospitals and facilities.** Extends Sections 114 (c) and (d) of the Medicare, Medicaid and SCHIP Extension Act of 2007.
- **Extension of physician fee schedule mental health add-on.** Increases the payment rate for psychiatric services delivered by physicians, clinical psychologists and clinical social workers by 5 percent.
- **Extension of outpatient hold harmless provision.** Extends the existing outpatient hold harmless provision and would allow Sole Community Hospitals with more than 100 beds to also be eligible to receive this adjustment.
- **Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.** Reinstates the policy included in the Medicare Modernization Act of 2003 (P.L. 108-173) that provides reasonable cost reimbursement for laboratory services provided by certain small rural hospitals.
- **Hospital wage index improvement.** Extends reclassifications under section 508 of the Medicare Modernization Act (P.L 108-173). This extension expires on September 30, 2010.

We request your attention and action to pass legislation that, at a minimum, will extend policies beyond their current expiration on December 31, 2010. For further information or questions, please feel free to contact Justin Moore at justinmoore@apta.org or 703-706-3162. Thank you for your attention to these pressing policy priorities affecting patients and their corresponding health care providers.

Sincerely,

American Ambulance Association
American Clinical Laboratory Association
American Health Care Association
American Hospital Association
American Medical Rehabilitation Providers Association
American Occupational Therapy Association
American Physical Therapy Association
American Psychological Association
American Speech Language Pathology Association
Clinical Social Work Association
College of American Pathologists
National Association for the Support of Long Term Care
National Association of Social Workers
National Rural Health Association

Cc: Chairman Max Baucus
Ranking Member Charles Grassley
Chairman Tom Harkin
Ranking Member Mike Enzi
Chairman Charlie Rangel
Ranking Member Dave Camp
Chairman Henry Waxman
Ranking Member Joe Barton