



# WASHINGTON UPDATE

SEPTEMBER 2014

## KATZ POLICY LECTURE

Peter Kemper, PhD, Professor Emeritus, Pennsylvania State University, joins us for the 2014 Katz Policy Lecture on Friday, September 19.

Dr. Kemper will discuss Expanding Culture Change to All Nursing Homes.

Registration and networking begin at 4pm. The lecture is scheduled to begin at 4:30pm. A reception will follow Dr. Kemper's remarks.

One continuing education credit is available for social workers (RSXO58915) and nursing home administrators (BELTSS #098-L-14)

## Visit Our Booth at LeadingAge!

If you're travelling to Nashville for this year's LeadingAge Annual Meeting and Expo October 19-22, be sure to stop by the Benjamin Rose booth (booth #804) in the exhibit hall.

## Congressional Update

### Congress Returns to DC; Likely to Pass a Continuing Resolution

Congress returned to Washington, DC September 8 to finish business before the November midterm elections. Chief among the remaining business is funding for the 2015 fiscal year, which begins October 1. Congress will likely pass a Continuing Resolution this week to keep the government running through approximately December 11. This will lock in funding levels at the current FY 2014 amounts. After the November elections, Congress will resume negotiations over funding for the rest of FY 2015. Senate Majority Leader Harry Reid (D-NV) has confirmed that Congress will return on November 12 for a "lame duck" session.

With the November midterm elections come a strong potential for a change in leadership in the Senate — Republicans need to gain only six seats to capture a majority, and there are quite a few races trending their way. In the House, the Republicans will almost certainly retain the majority. No matter what happens, there will be important changes to key committees and subcommittees due to leadership term limits and members not returning to Congress.

### House Democrats Release Labor-HHS-Education Funding Bill for FY 2015

House Appropriations Labor-HHS-Education Subcommittee Democrats released an appropriations bill for Labor-HHS-Education FY 2015 funding on September 15. It would increase senior nutrition funding, fund the Elder Justice Initiative, and increase funding for the Low-Income Home Energy Assistance Program (LIHEAP) and workforce grants, among other funding increases. This bill is not likely to succeed in House Appropriations, but it is a useful model for funding increases set within the constraints of the budget caps.

### CRS Releases Report on Elder Justice Act

The Congressional Research Service (CRS) has released a report on the Elder Justice Act entitled "The Elder Justice Act: Background and Issues for Congress." It "provides a brief legislative history of the Elder Justice Act, summarizes elder justice provisions enacted as part of the Affordable Care Act (ACA), and administrative efforts related to implementation and funding. The report then describes several issues for Congress with respect to the act's reauthorization." The full report can be found at <http://fas.org/sgp/crs/misc/R43707.pdf>

## IOM Releases Report on Need for Conversations around End of Life

On September 17, the Institute of Medicine (IOM) released a report titled "Dying in America: Improving Quality and Honoring Individual Preferences Near the End of Life" which "finds that improving the quality and availability of medical and social services for patients and their families could not only enhance quality of life through the end of life, but may also contribute to a more sustainable care system." They recommend that health plans cover palliative care conversations, that patients participate in advanced care planning, that doctors are formally educated in end of life planning, and that the public is educated on the topic.

## Contact Us

We welcome your feedback!  
Please share questions,  
suggestions or concerns.

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## HHS Announces Medicare ACOs Have Saved \$372 Million

The Centers for Medicare & Medicaid Services (CMS) issued performance results on September 16 showing that Medicare Accountable Care Organizations (ACOs) have improved patient care and produced \$372 million in savings for Medicare. Medicare ACOs are groups of service providers and suppliers who work together in care coordination for Medicare beneficiaries. Providers in ACOs become eligible to share their savings with Medicare when their care is delivered more efficiently. Since the Affordable Care Act was passed in 2010, more than 360 Medicare ACOs have been created in 47 states, serving 5.6 million beneficiaries.

In addition to saving \$372 million in total for Medicare to date, the ACOs outperformed published benchmarks for quality and patient experience last year and improved significantly on almost all benchmarks this year. This news comes from preliminary results of the second year of performance for 23 Pioneer ACOs and final results from the first year of performance for 220 Shared Savings Program ACOs. Facts sheets for more information on ACOs and how they work can be found on the HHS website <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-09-16.html>.

## America Spends \$218 Billion Annually on Hospital Administrative Costs

A study published in the September 2014 issue of Health Affairs finds that the United States is spending \$218 billion annually on hospital administrative costs — and that the number is increasing. 1.43 percent of the US economy in 2012, the latest year of full data compiled, was spent on billing, scheduling, insurance claims, and other hospital paperwork; in other terms, for every \$100 spent in the US in 2012, \$1.43 of it was spent on hospital administration. On average, in the 11 countries examined by Health Affairs, hospitals spent 12% of their budget on administrative affairs. In the US, administrative costs accounted for 25.3% of total expenses, the highest in the study. Scotland and Canada, with single-payer health care systems, had the lowest administrative costs. The study found that reducing United States per capita spending for hospital administration to Scottish or Canadian levels would have saved more than \$150 billion in 2011.

## HHS Awards \$295 Million in ACA Funds to Health Centers

On September 12, the Department of Health and Human Services (HHS) announced \$295 million in Affordable Care Act (ACA) funding to 1,195 community health centers in all US states, DC, Puerto Rico, the US Virgin Islands, and the Pacific Basin for the expansion of primary care.

This increase in funding will enable hiring of 4,750 new staff, staying open longer, and expanding care to include new primary care services like dental care, behavioral health, pharmacy, and vision. 1.5 million new patients will be reached, including 137,000 new oral health patients and 38,000 mental health and substance abuse patients. HRSA Administrator Mary K. Wakefield said in a statement, "Health centers provide comprehensive primary and preventive services in their communities. Today's awards will be used to expand access to care, to the people that need it most." A list of the award winners can be found at <http://www.hrsa.gov/about/news/2014tables/expandedservices/>.