HR 1845, Medicare IVIG Access Act, amended to include SMART Act

H.R. 1845, the Medicare IVIG Access Act was amended to include the Strengthening Medicare and Repaying Taxpayers (SMART) Act, H.R. 1063/S. 1718. The House of Representatives will consider the bill under suspension on Wednesday, December 19, 2012.

H.R. 1845 was introduced in the House by Reps. Kevin Brady and Doris Matsui and the companion bill (S. 960) was introduced by Senators John Kerry and Lamar Alexander. The legislation was combined with the Strengthening Medicare and Repaying Taxpayers (SMART) Act, H.R. 1063/S. 1718 introduced by Reps. Tim Murphy and Ron Kind and Senators Ron Wyden and Rob Portman.

H.R. 1845, as amended, is bipartisan and paid for -- CBO estimates the SMART Act will save the Medicare program $45 million. The Medicare IVIG Access demonstration program has a hard cap of $45 million from the Part B trust fund resulting in the overall bill being neutral and CBO has informed the House committees that H.R. 1845, as amended will not add to the deficit.

SUMMARY

Medicare Demonstration Project
The current Medicare Part B IVIG home benefit for beneficiaries with Primary Immunodeficiency Diseases (PIDD) fails to cover the items and services necessary to administer IVIG in the home. The Medicare IVIG Access Act (H.R. 1845/S.960) establishes a three-year Medicare demonstration project to address this inequity by providing reimbursement for the items and services necessary to administer IVIG in the home. The demonstration project would begin 1 year after enactment and enrollment would be capped at no more than 4,000 beneficiaries. An interim report of the demonstration project would be due within 3 years of enactment and a final report would be due one year after completion of the demonstration. The final report also will update the February 2007 ASPE report entitled “Analysis of Supply, Distribution, Demand and Access Issues Associated with Immune Globulin Intravenous (IGIV)” and will analyze the appropriateness of implementing a new Medicare payment methodology for IVIG.

Strengthening Medicare and Repaying Taxpayers (SMART) Act (introduced as H.R. 1063/S. 1718)
The Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) requires insurers to report to the Centers for Medicare and Medicaid Services (CMS) every settlement or other payment made to a beneficiary. A penalty of $1,000 per day per claim applies for failure to report properly. Because the reporting and reimbursement obligations are so complicated, and CMS does not provide a repayment amount until after parties have settled, cases involving beneficiaries are difficult if not impossible to settle. Beneficiaries and other stakeholders are left confused and frustrated.

The SMART Act empowers Medicare to provide settling parties with the amount of their Medicare Secondary Payer (MSP) repayment obligation during the settlement process, which will allow taxpayers to settle quicker, and repay the Medicare Trust Fund faster.
**Cost/Offset**
The Medicare IVIG Access demonstration has a hard cap of $45 million from the Medicare Part B trust fund. The CBO’s November 9, 2012 estimate of the SMART Act (HR 1063) estimates that enactment “would reduce Medicare spending by $45 million over the 2013-2022 period.”

**COSPONSORS OF S. 960, MEDICARE IVIG ACT – Sponsor: Sen. John Kerry [MA]**
- Sen Alexander, Lamar [TN]
- Sen Brown, Scott P. [MA]
- Sen Cochran, Thad [MS]
- Sen Collins, Susan M. [ME]
- Sen Crapo, Mike [ID]
- Sen Moran, Jerry [KS]
- Sen Roberts, Pat [KS]
- Sen Wicker, Roger F. [MS]

**COSPONSORS OF S. 1718, SMART ACT – Sponsor: Sen. Ron Wyden [OR]**
- Sen Alexander, Lamar [TN]
- Sen Blunt, Roy [MO]
- Sen Burr, Richard [NC]
- Sen Crapo, Mike [ID]
- Sen Graham, Lindsey [SC]
- Sen Johanns, Mike [NE]
- Sen Kirk, Mark Steven [IL]
- Sen Kyl, Jon [AZ]
- Sen Murkowski, Lisa [AK]
- Sen Portman, Rob [OH]
- Sen Risch, James E. [ID]
- Sen Thune, John [SD]
- Sen Wicker, Roger F. [MS]