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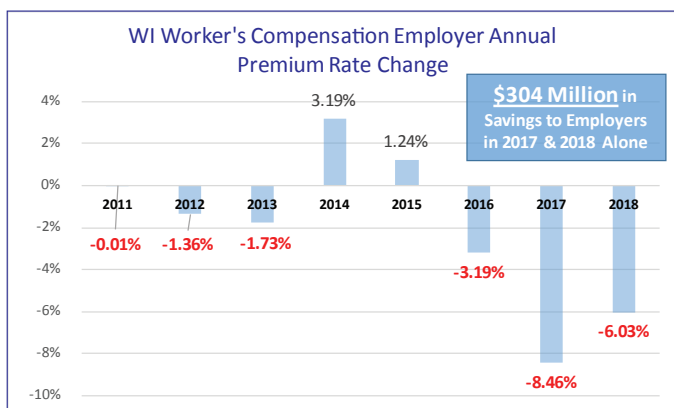
## Wisconsin Worker's Compensation Program Announces Employer Rate Decrease...Again

*Employers in Wisconsin experience over \$300 million savings in last two years alone*

Wisconsin's Department of Workforce Development (DWD) announced last week that Wisconsin employers will see a 6.03% reduction in worker's compensation premium rates starting October 1, 2018, after dropping by 8.46% in 2017. Worker's compensation premium rates remain lower in 2018 than they were over a decade ago, with a net annual average change of - 0.88%. Since 2011, the net average annual change has been - 2.04%.

According to announcements from DWD over the last two years, rate reductions in 2017 and 2018 have amounted to \$304 million in savings to Wisconsin employers. In 2016, worker's compensation premium rates also dropped by 3.19%. WHA, along with a large coalition of health care providers, [encouraged the Legislature again](#) in 2017 to reject a proposed medical fee schedule putting government in the position of determining reimbursement rates for medical providers who treat injured workers. Lawmakers, again, flatly rejected this proposal in the most recent legislative session.

For more information about this recent worker's compensation premium rate decrease, contact WHA Vice President, Public Policy [Lisa Ellinger](#).



Source: WI Dept. of Workforce Development/WI Compensation Ratings Bureau

## CMS Issues Proposed 2019 Physician Reimbursement Rule



On July 12, the Centers for Medicare and Medicaid Services (CMS) issued the 2019 proposed rule on physician reimbursement. The rule addresses a wide range of topics of great interest to WHA members, including the following:

**Physician fee schedule (PFS):** The rule proposes to update physician fee schedule rates by 0.25% in calendar year 2019, as required under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

**Site-neutral payments:** In the calendar year (CY) 2018 PFS proposed rule, CMS had implemented reductions to nonexcepted services in provider-based departments, setting those rates at 40% of the outpatient prospective payment system (OPPS) rates. In the 2019 proposed rule, CMS proposes to continue to allow nonexcepted provider-based departments to bill for nonexcepted services on the institutional claim and maintain payment for nonexcepted services at 40% of the outpatient prospective payment system amount for CY 2019. CMS also proposes to maintain this same PFS Relativity Adjuster for future years until updated data or other considerations indicate that an alternative adjuster or a change to this approach is warranted.

**Telehealth:** The rule proposes to expand access to telehealth services by paying clinicians for virtual check-ins—brief, non-face-to-face appointments via communications technology; paying clinicians for evaluation of patient-submitted photos; and expanding Medicare-covered telehealth services to include prolonged preventive services. (See page 2 for more detailed information about this proposal.)

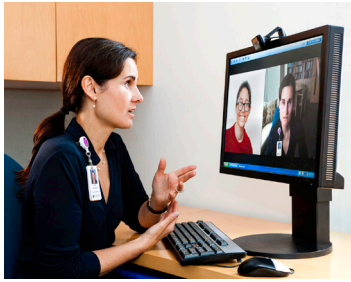
**Evaluation and Management documentation:** Among other changes to coding and documentation requirements, the rule proposes to collapse the payment rates for levels two through five of evaluation and management codes—which make up about 20% of allowed charges under the physician fee schedule.

**Payment for Medicare Part B drugs:** Among other changes, the rule proposes a policy change so that its

*(continued on page 3)*

## Proposed 2019 Physician Fee Schedule Rule Contains Significant Telehealth Provisions

*Continues progress by Congress and CMS in expanding access to telehealth under Medicare*



The Centers for Medicare and Medicaid Services' (CMS) proposed 2019 Physician Fee Schedule rule released last week contains several proposals to expand access to telehealth services and telehealth-

related services for Medicare beneficiaries.

Specifically, CMS proposes to begin paying for the following services effective January 1, 2019:

- **Virtual Check-In for Established Patients.** CMS proposes to permit a physician or other health care professional qualified to perform an evaluation and management (E/M) service to bill for a brief, non-face-to-face check-in with an established patient via communication technology to assess whether the patient's condition necessitates an office visit.
- **Remote Evaluation of Pre-Recorded Patient Information.** CMS proposes to create specific coding that describes the remote professional evaluation of patient-transmitted information conducted via pre-recorded "store and forward" video or image technology.

CMS also proposes adding Healthcare Common Procedure Coding System (HCPCS) codes for certain prolonged preventive services to the list of telehealth services that are covered under Medicare.

These proposals follow other recent actions taken by Congress and CMS to expand access to telehealth and telehealth-related services for Medicare beneficiaries. As reported in [February's Valued Voice](#), when Congress passed the Bipartisan Budget Act of 2018, it expanded access to Medicare telehealth stroke services for patients located in a rural area. It also expanded access to Medicare telehealth dialysis services for patients located in their homes. Similarly, in the 2018 Physician Fee Schedule rule, CMS added several items to the list of telehealth services covered under Medicare, and permitted professionals to bill separately for remote patient monitoring.

For more information, contact [Andrew Brenton](#), WHA assistant general counsel, at 608-274-1820.

## WHA Voices Concerns Over Proposals to Harm 340B Program

On July 16, Wisconsin Hospital Association President/CEO Eric Borgerding sent a letter to Wisconsin's congressional delegation expressing concern over recent proposals that would threaten the 340B program, which provides discounts to hospitals purchasing certain prescription drugs. WHA has advocated vigorously to defend the current program, including participating in an amicus curiae lawsuit to stop the cuts CMS put in its FY2018 Outpatient Prospective Payment System (OPPS) rule. WHA also made it one of its key issues members advocated for during its annual member hill visits to Capitol Hill last May.

Congress has held a number of hearings exploring the 340B program over the past few months, with the most recent being a hearing on July 11 by the House Energy and Commerce Health Subcommittee. The Committee explored program integrity and also discussed 15 bills that would make changes to the program. While a few of the bills would benefit the program by reversing the cuts made in the FY2018 OPPS rule and bring parity to transparency requirements for pharmaceutical companies, other bills would weaken the program.

A proposal by Rep. Joe Barton (R-TX) would reduce by more than half the number of Disproportionate Share Hospitals (DSH) that participate in the program by raising the overall DSH threshold from 11.75% to 18%. Other proposals would impose new fees and burdensome reporting requirements on hospitals that participate in the program. In the letter, WHA cautioned that Congress should be wary of proposals that expand regulations on hospitals, but do not serve the program's goal of stretching scarce federal resources and expanding services.

Even more concerning were recent reports that Health and Human Services Secretary Azar may be pursuing new regulations that would decrease discounts offered to hospitals in the program from current rates of about 40%-60% to a standard 20% discount. WHA has encouraged Wisconsin's congressional delegation to contact Secretary Azar to let him know their opposition to such a proposal and will continue to closely monitor any new developments.

For more information or questions on recent 340B developments, contact [Jon Hoelter](#), WHA Director of Federal and State Relations.

## New Grants Help Increase Access to Health Care in Rural Areas

The Wisconsin Department of Health Services [awarded](#) the first round of grants to help rural health care providers increase the number of physician assistants and advanced practice registered nurses. These grants are modeled after a successful matching-grant initiative crafted by WHA and proposed by Gov. Scott Walker in the 2013-15 biennial budget to expand capacity for physician residency experiences in Wisconsin.

Grants totaling more than \$300,000 were awarded to:

- Ascension St. Mary's Rhinelander
- Aspirus Office of Medical Education Wausau
- Columbus Community Hospital
- Gundersen Boscobel Area Hospital and Clinics
- Mayo Clinic Health System Northwest Wisconsin Region, Inc., Eau Claire
- Monroe Clinic
- Sauk Prairie Healthcare, Inc.
- Stoughton Hospital

WHA President/CEO Eric Borgerding notes, "Applying this same concept to training for advanced practice clinicians and allied health professionals will expose more individuals to rural communities and help address rural workforce shortages. This 'grow our own' strategy is another great example of bipartisan policymaking to support the workforce needed to sustain Wisconsin's top-quality health care."

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payments for Part B drugs more closely match the actual costs of the medications being delivered. The proposed payment reduction for new Part B drugs from the rate of Wholesale Acquisition Cost (WAC) plus 6% to WAC plus 3%. This rate would only apply while average sales price data are unavailable.

**Quality Payment Program changes:** Several changes to the Merit-Based Incentive Payment System (MIPS) are proposed in the rule. Some of these changes include:

- Removing MIPS process-based quality measures that have been deemed as "low value" or "low priority."
- Increasing the weight of the MIPS cost category to 15%, while lowering the weight of the quality category to 45%.
- Overhauling the MIPS Promoting Interoperability category to allow consumers better access to their own health data, and to align the performance category requirements with the Promoting Interoperability Program

proposed for hospitals in the inpatient prospective payment system (IPPS) rule.

CMS said it would also explore ways to make health care costs more transparent and understandable to everyday patients. Much like previously proposed rules, the agency has included a request for information asking how standard charges should be defined, the type of pricing information that would be most helpful to seniors, details around out-of-pocket costs and whether patients should be told what Medicare actually pays for a given service.

Over the next few weeks, WHA staff will analyze this proposed rule and submit comments to CMS. Comments are due by September 10, 2018.

For further information on the proposed rule, contact [Laura Rose](#), Vice President of Policy Development, or [Jon Hoelter](#), WHA Director of Federal and State Relations.

## Education/Events

### Registration Now Open for WHA APC Conference – September 13

*WHA Advanced Practice Clinician Conference: A Comprehensive Look at APC Practice Challenges and Opportunities for Integrated Care Delivery in Wisconsin*

Team-based care models that utilize nurse practitioners, physician assistants, certified registered nurse anesthetists and other advanced practice clinicians (APCs) are increasingly important to integrated care delivery models in Wisconsin hospitals and clinics.

[Registration](#) is now open for the one-day conference in Wisconsin Dells designed for hospital and clinic leaders, clinicians in leadership and practice roles, human resources and recruiting specialists, and others who need to understand and navigate nuances, limitations and opportunities to support and maximize the integration of APCs within their organizations.

Questions about conference content can be directed to [Ann Zenk](#) or [Matthew Stanford](#). Registration questions can be directed to [Kayla Chatterton](#) or call 608-274-1820.

## Save the Date: October 23 - WHA Emergency Prep Conference

Mark your calendar for October 23, when the Wisconsin Hospital Association will sponsor the WHA Emergency Preparedness Conference: *Cybersecurity in Health Care*. This important, one-day conference will focus on the very-real issue of cybersecurity and ways to improve your hospital or health system readiness.

Expert presenters will focus on lessons learned from real world events and discuss current threats facing health care organization preparedness and security. Attendees will have the opportunity to collect strategies to enhance their emergency management programs and integrate those preparedness strategies into daily operations.

This conference has been designed for hospital emergency preparedness directors, chief information officers, health information technology staff, public relations professionals and public information officers.

Join us October 23 at the Holiday Inn at The American Center in Madison. The full event agenda and online registration will be available in the coming weeks. Contact [Andrew Brenton](#) for questions about conference content.