

Health Care Provisions in the Bipartisan Budget Act of 2018

On February 9th, Congress passed the [Bipartisan Budget Act of 2018](#) which includes changes to several Medicare programs, and provides funding for other health programs that support low-income older adults, people with disabilities, and their families. Below is a summary of these health-related provisions.

Funding for Outreach to Low-Income Medicare Beneficiaries

The law provides an additional two years of funding to State Health Insurance Assistance Programs (SHIPs), Area Agencies on Aging, Aging and Disability Resource Centers, and the National Center for Benefits and Outreach Enrollment to conduct outreach and enroll low-income Medicare beneficiaries. This funding for targeted outreach is separate from annual appropriations for SHIPs.

Funding for Community Health Centers & CHIP

The law guarantees funding for community health centers (CHCs) and the National Health Service Corps for 2018 and 2019, and authorizes the Secretary of HHS to award supplemental grants to CHCs to implement models to improve access to primary care. Congress also approved additional funding for the Children's Health Insurance Program (CHIP), guaranteeing the program's funding through 2027.

Medicare Therapy Cap Repeal

The law permanently repeals the payment cap on outpatient physical, occupational, and speech therapies effective January 1, 2018, and makes changes to the medical necessity review process for these services.

Part D Donut Hole Closure

The law closes the Medicare Part D "donut hole" or coverage gap faster. Instead of in 2020, the donut hole will now close in 2019 at which time beneficiaries will be required to contribute 25% to the cost of prescription drugs. This provision does not affect coverage for beneficiaries who receive the Part D low-income subsidy known as "Extra Help," since they already don't experience the donut hole.

Changes to Medicare Advantage for People with Chronic Conditions & Dual Eligibles

- **Special Needs Plans** – The law permanently reauthorizes Medicare Special Needs Plans (SNPs). SNPs serve target populations with special needs including individuals who are dually eligible for Medicare and Medicaid and individuals with chronic conditions.
- **VBID Models & Supplemental Benefits** – The law expands testing of the Medicare Value-Based Insurance Design (VBID) Model to all states by 2020. There are currently eleven plans in three states participating in the VBID model, which allows plans to offer supplemental benefits or reduced cost sharing to enrollees with specific chronic conditions. The law also expands the type of supplemental benefits Medicare Advantage plans may offer to chronically ill individuals beginning in 2020. These can include benefits that are not primarily health related as long as the benefit has a reasonable expectation of improving or maintaining the health or overall function of the individual.

Medicare Coverage of Speech Generating Devices

Congress enacted the Gleason Enduring Voices Act, guaranteeing Medicare coverage of speech generating devices as routinely purchased durable medical equipment.

Medicare Home Health Benefit Changes

The law changes how Medicare will pay for home health services beginning in 2020. The home health payment episode will be reduced from 60 days to 30 days and therapy thresholds will be eliminated. Beginning in 2019, Medicare will be allowed to base eligibility determinations for home health services on a review of the patient's medical record including a home health agency's record beginning in 2019.

Independence and Home Demonstration Program

Congress extended the Medicare Independence at Home demonstration by two years and increased the cap on the total number of participating beneficiaries.

Other Changes

To offset the costs of some of the above provisions, Congress chose certain changes that will be detrimental to the Medicare program and the health and financial security of older Americans and their families. These include:

- **Increase Medicare Premiums for Higher-Income Beneficiaries**—Beginning in 2019, the Part B and Part D premium contributions for beneficiaries with modified adjusted gross incomes (MAGI) over \$500,000 for individuals or over \$750,000 for couples will increase from 80% to 85%.
- **Reduce the ACA Prevention & Public Health Fund** by \$1.35 billion over 10 years.