

## **Federal Healthcare Reform Independent Medicare Advisory Commission (IMAC)**

### **Issue**

The Medicare Payment Advisory Commission (MedPAC) is an independent Congressional agency established by the Balanced Budget Act of 1997 to advise the U.S. Congress on issues affecting the Medicare program. The Administration has proposed a change in law that would grant this advisory body new, broad, and expanded power to set Medicare rates. In addition, the proposed change in law will make it very difficult for Congress to provide any oversight or input into any proposed change in reimbursement rates. This is far different from the current MedPAC established in 1997, whose charge is to advise Congress on Medicare payment issues, but whose recommendations are non-binding without Congressional action.

The new Independent Medicare Advisory Commission (IMAC) would consist of a 5-member council that would be appointed by the President (with the consent of the Senate). The members would hold 5 year terms and have the authority to recommend to the President 2 packages of annual payment update rates for certain Medicare payment systems.

If the President approves a package of recommendations, Congress would have 30 days to intervene with a joint resolution of Congress before the Department of Health and Human Services would be authorized to implement the recommendations. If the President disapproves a package of recommendations or Congress passes a joint resolution disapproving a package of recommendations, current law would remain in effect.

Further, the current IMAC proposal would prohibit the annual updates from increasing the aggregate level of net Medicare expenditures. The IMAC would also have the authority to recommend broader Medicare reforms and contains a similar approval/disapproval process for recommended reforms. In addition to limiting Congress' current authority, the Commission would be subject to limited judicial review. It appears that a person adversely affected by the Commission's approved recommendations would have to file an action in the U.S. Court of Appeals for the District of Columbia within 30 days of the President's approval.

Finally, the Commission would not be allowed to make an annual payment or reform recommendation until September 15, 2014 or after.

### **Current Status**

The Administration has released a draft of the proposal known as the Independent Medicare Advisory Council Act of 2009. While the administration has released a draft the language does not appear in any healthcare reform legislation at this time. In addition, the proposal has been opposed by many members of Congress and has been the subject of a dear Colleague letter. The Senate Finance Committee's bill was recently amended to exempt hospitals from IMAC direction until 2019.

### **SJHS Position**

St. Joseph Health System opposes such a commission. The system believes it is critical for Congress to maintain its existing authority when dealing with the Centers for Medicaid and Medicare Services. The existing system has allowed Congress to stop numerous proposed cuts to reimbursement rates which if enacted would have had a severe impact on our ability to serve our patients. The existing system already allows for reimbursement levels to be adjusted while at the same time allowing Congress the ability to exercise its statutory authority of oversight. Congress must maintain its ability to approve or deny changes to Medicare reimbursement levels.