



Legislative and Regulatory Update

As of midnight, the federal government shut down after the House and Senate failed to agree on a continuing resolution to fund the government. The shutdown will have a massive negative impact on government-funded services and programs. However, Medicare, Medicaid, and Social Security are entitlement programs and fall under mandatory spending rules outside of the annual appropriations process. Therefore, payments to providers and beneficiaries will continue, though they could be slowed by reductions in staffing by contractors. There will be only a limited effect on implementation of the Affordable Care Act, since approximately 85 percent of ACA funding is not subject to annual appropriations. Applications for Social Security and Medicare benefits could be slowed significantly, particularly if the shutdown extends for a longer period of time. The Veterans Administration health program will also continue to operate, but personnel addressing the disability benefits claims backlog will suffer significant reductions.

According to a memorandum from the Department of Health and Human Services, here are some of the effects of the shutdown on its operations on areas that affect the field of transplantation:

- **Health Resources and Services Administration (HRSA)** – HRSA will continue activities funded through sources other than annual appropriations, including the Community Health Centers and National Health Service Corps. Additionally, HRSA will continue the National Practitioner Databanks and Hansen's Disease Program. HRSA will be unable to make payments for the Children's Hospital GME Program and Vaccine Injury Compensation Claims.
- **Centers for Medicare & Medicaid Services (CMS)** – CMS will continue large portions of ACA activities, including coordination

between Medicaid and the Marketplace, as well as insurance rate reviews and assessment of a portion of insurance premiums used on medical services. In the short term, the Medicare Program will continue largely without disruption during a lapse in appropriations. Additionally, other non-discretionary activities including Health Care Fraud and Abuse Control, Center for Medicare & Medicaid Innovation, and Pre-existing Condition Insurance Plan activities will continue. States will have funding for Medicaid on October 1, due to the advanced appropriation enacted in the FY 2013 appropriations legislation, as well as for the Children's Health Insurance Program (CHIP). CMS will be unable to continue discretionary funding for health care fraud and abuse strike force teams, resulting in the cessation of their operations. Fewer recertification and initial surveys for Medicare and Medicaid providers will be completed.

- **National Institutes of Health (NIH)** – NIH will not take any actions on grant applications or awards. NIH will continue patient care for current NIH Clinical Center patients, minimal support for ongoing protocols, animal care services to protect the health of NIH animals, and minimal staff to safeguard NIH facilities and infrastructure. NIH will not admit new patients (unless deemed medically necessary by the NIH Director) or initiate new protocols, and will discontinue some veterinary services.
- **Agency for Healthcare Research and Quality (AHRQ)** – AHRQ will continue to maintain oversight of ongoing projects funded by the Patient-Centered Outcomes Research Trust Fund (PCORTF) and continue CMS-funded work related to measure development for the Children's Health Insurance Program Reauthorization Act. AHRQ will be unable to fund new grants and contracts related to health services research initiatives, including research on improving patient safety and reducing healthcare-associated infections. In addition, the data collection and modifications to the household survey of the Medical Expenditure Panel Survey will be stopped.

Senate Democrats have insisted they will accept from the House only a six-week funding bill with no provisions related to Obamacare. ASTS will continue to monitor the situation on Capitol Hill and will keep you up to date on critical developments.