

[H.R. 1190, Protecting Seniors' Access to Medicare Act of 2015](#)

FLOOR SITUATION

On Thursday, June 18, 2015, the House will consider [H.R. 1190](#), *the Protecting Seniors' Access to Medicare Act of 2015*, under a [closed rule](#). H.R. 1190 was introduced on March 2, 2015, by Rep. Phil Roe (R-TN) and was referred to the Committee on Ways and Means, and in addition, to the Committees on Energy and Commerce and Rules. The Ways and Means Committee ordered the bill reported by a vote of 31 to 8 on June 2, 2015.

SUMMARY

H.R. 1190 repeals sections 3403 and 10320 of the Patient Protection and Affordable Care Act (PPACA), which established the Independent Payment Advisory Board (IPAB).

BACKGROUND

The Patient Protection and Affordable Care Act ([Public Law 111-148](#)) includes provisions to establish an Independent Payment Advisory Board “to reduce the per capita rate of growth in Medicare spending.”¹ Under the law, the Secretary of Health and Human Services (HHS) is directed to implement the Board’s proposals “unless Congress acts either by formulating its own proposal to achieve the same savings or by discontinuing the automatic implementation process defined in the statute.”²

According to the Congressional Research Service (CRS), “the annual IPAB sequence of events begins each year, starting April 30, 2013, with the Chief Actuary of the Centers for Medicare and Medicaid Services calculating a Medicare per capita growth rate and a Medicare per capita target growth rate. If the Chief Actuary determines that the Medicare per capita growth rate exceeds the Medicare per capita target growth rate, the Chief Actuary would establish an applicable savings target—the amount by which the Board must reduce future spending. This determination by the Chief

¹ Section 3403(b)

² See CRS Report—“[The Independent Payment Advisory Board](#),” at 4. April 17, 2013.

Actuary also triggers a requirement that the Board prepare a proposal to reduce the growth in the Medicare per capita growth rate by the applicable savings target.”³

CRS further notes that “board proposals must be submitted to the Secretary by September 1 of each year and to the President and Congress by January 15 of the following year. Board proposals are “fast-tracked” in Congress, and IPAB proposals go into force automatically unless Congress affirmatively acts to amend or block them within a stated period of time and under circumstances specified in the act. Section 3403(d) of the act establishes special “fast track” parliamentary procedures governing House and Senate committee consideration, and Senate floor consideration, of legislation implementing the Board or Secretary’s proposal. These procedures differ from the parliamentary mechanisms the chambers usually use to consider most legislation and are designed to ensure that Congress can act promptly on the implementing legislation should it choose to do so. PPACA also established a second “fast track” parliamentary mechanism for consideration of legislation discontinuing the automatic implementation process for the recommendations of the Board.”⁴

The Board is to consist of 15 members appointed by the President with the advice and consent of the Senate.⁵ In selecting individuals for nomination, the President is to consult with the majority and minority leadership of the Senate and House of Representatives—each respectively, regarding the appointment of three members. The Chairperson is appointed by the President, with the advice and consent of the Senate, from among the members of the Board.⁶

The appointed members of the Board are supposed to possess expertise in health finance and economics, actuarial science, health facility management, health plans and integrated delivery systems, and reimbursement of health facilities, as well as having a wide range of professional backgrounds.⁷ With exceptions for initial Board members and those appointed to fill a vacancy with an unexpired term, each appointed member may serve two consecutive six-year terms.⁸

To date, President Obama has not nominated any members to serve on the Board. Moreover, the Congressional Budget Office (CBO) has projected that future growth in Medicare expenditures will not trigger IPAB provisions through fiscal year 2025.⁹

On January 6, 2015, the House approved [H. Res. 5](#), a resolution adopting the rules of the House of Representatives for the 114th Congress, by a vote of [234 to 172](#). Section 3(a) of the resolution included a provision eliminating language in PPACA that limits the ability of the House to determine the method of consideration for a recommendation from the Independent Payment Advisory Board or to repeal the provision in its entirety.¹⁰

On March 22, 2012, the House approved [H.R. 5](#), the Protecting Access to Health Care Act, by a vote of [233 to 181](#). Section 202 of the bill repealed major provisions relating to IPAB. The Senate did not act on the bill before the 112th Congress adjourned.

³ Id. at Summary.

⁴ Id.

⁵ Section 3403(g)

⁶ See CRS Report at 5.

⁷ Id.

⁸ Id.

⁹ See CBO [cost estimate](#) for H.R. 1190 at 1. June 11, 2015.

¹⁰ See [Section-by-Section analysis of H. Res. 5](#) at 4.

COST

The Congressional Budget Office (CBO) [estimates](#) that enacting H.R. 1190 would not have any budgetary impact between 2015 and 2021, but would increase direct spending by \$7.1 billion over the 2022 to 2025 period. According to CBO, that estimate “is extremely uncertain” because it is not clear whether the mechanism for spending reductions under the IPAB authority will be triggered under current law for most of the next ten years; under CBO’s current baseline projections such authority is projected to be triggered in 2025. However, given the uncertainty that surrounds those projections, it is possible that such authority would be triggered in more than one of those years; taking into account that possibility, CBO estimates that repealing the IPAB provision of the ACA would probably result in higher spending for the Medicare program in the years 2022 through 2025 than would occur under current law. CBO’s estimate represents the expected value of a broad range of possible effects of repealing the provision over that period.

STAFF CONTACT

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