

Health Care in Cross-hairs as Fiscal Talks Resume

The New Year's Eve clash over "physician payment fix" offsets will most certainly be dwarfed by a major battle expected in the weeks ahead as lawmakers again target health care cuts and dive into entitlement reform in their bid to avert the delayed, but still-looming budget sequester and to raise the debt limit. The new year already started with a bang when Congress in the first hours of 2013 pushed through a high-stakes bill that averts budget sequestration for two months and patches Medicare physician payments for one year, but targeted hospitals, pharmacies, medical imagers, radiation oncology (i.e. Cobalt-60 stereotactic radiosurgery) and Medicare Advantage plans to pay for the physician patch.

This year also will be marked by the rubber hitting the road on Affordable Care Act implementation, with stakeholders preparing for the law's sweeping changes to Medicaid and the private insurance market in 2014. The clock is ticking as the health care sector gears up for insurance exchange open enrollment to begin October 1 and for Medicaid eligibility changes in 2014.

And while Congress could not agree on a "grand bargain" during negotiations to avoid the "fiscal cliff," health care insiders are bracing for Congress and the president to start debating in earnest ways to rein in entitlement costs. There remains a substantial appetite among many GOP lawmakers to cut government spending on health programs, and President Obama signalled on New Year's Day that he is open to new ideas on containing Medicare costs.