



H&K Health Dose October 12, 2021 A weekly dose of healthcare policy news

Legislative Updates

Congress this Week:

The House is expected to vote today on Senate-passed legislation to increase the debt ceiling by \$480 billion to \$28.9 trillion, which would fulfill U.S. debt obligations until Dec. 3, the same day that the current continuing resolution is set to expire, setting up a dramatic December. Both chambers are otherwise out of session the remainder of the week. Senate Minority Leader Mitch McConnell has already said Republicans will not help Democrats again on the debt limit, which may necessitate a modification of reconciliation instructions to set up a simple majority vote on the issue.

Currently, House and Senate Democrats are bargaining over which priorities will get cut and scaled back to lower the price tag on the reconciliation package from \$3.5 trillion to closer to \$2 trillion. There's back and forth over a number of provisions, including Medicare expansion to include dental, vision, and hearing, and prescription drug pricing reform, and discussions are ongoing as to whether to eliminate programs or scale back provisions across the board. Funding for Biden's ARPA-H is also reportedly being cut, though it is already cued up in other legislative vehicles.

Meanwhile, regular appropriations for FY 2022 are still up-in-the-air. Senate appropriators say the release of the topline defense and non-defense discretionary funding amounts will allow them to consider FY 2022 appropriations bills. Lawmakers have until Dec. 3 to negotiate regular appropriations bills or sign another short-term continuing resolution.

MedPAC Discusses Future Recommendations around Drug Pricing; Other Top Priorities

MedPAC [met](#) last week to discuss potential future recommendations around drug pricing, improving risk adjustment in Medicare Advantage plans, Medicare alternative payment models, the hospital wage index, and access to care. Their next meeting is scheduled for Nov. 8-9. Formal recommendations typically appear in their annual June report to Congress.

Administrative/Regulatory Updates

Number of Medicare Advantage (MA) Plans with Highest Quality Rating Quadruples

Nearly four times as many MA plans scored the highest quality rating possible for 2022 compared to last year. Next year, 90% of MA plan members are expected to be in plans with four stars or higher, up from 77%. CMS said. Many are citing relaxed rules under the public health emergency for the sudden boost. This will impact the bottom line as plans with a star rating of four stars or higher automatically receive a 5% quality bonus boost to their payments. MedPAC has previously [recommended](#) to replace MA's star rating program due to "flaws" with the current system that may lead to "unwarranted bonuses."

CMS Innovation Center Looking for Smaller Set of Total Cost Models, As Opposed to Slew of Specialty Models

CMS Innovation Center Director Liz Fowler said the agency is focusing on mandatory, more generalized alternative payment models that "are harmonized" with one another, as opposed to disease-specific or episode-based models. The agency says models that focus on total cost will be a priority, along with those that boost participation amongst safety net and rural providers. Fowler explained they are holding off on drug price models until Congress decides on a strategy.



ONC Launches Next Iteration of Data Standardization Effort

HHS' Office of the National Coordinator for Health Information Technology launched a new initiative dubbed [USCDI+](#) which is intended to supplement existing USCDI data standardization efforts with additional, more targeted criteria for agencies that have "program-specific needs." Through the initiative, ONC will work with CMS and CDC to align quality measurement and public health standards. ONC also notes that USCDI+ could eventually branch into software certification criteria.

Private Sector

Anthem Blue Cross is behind on billions of dollars' worth of hospital and provider payments. On June 30, 2019, 43% of the company's medical bills for that quarter were unpaid. Two years later, that figure increased to 53%, which amounted to a difference of \$2.5 billion. A spokesperson attributed the lag to a number of causes including computer glitches, the pandemic, and new policies concerning medical necessity.

COVID Update

The U.S. bought \$1 billion worth of rapid at-home COVID tests, which is expected to quadruple U.S. supply by December.

According to updated CMS [guidance](#), employer group health plans cannot deny benefits to unvaccinated customers but can offer premium discounts to those who are vaccinated, similar to a traditional wellness plan.

Despite mounting public pressure, Moderna announced yesterday that it will not share its vaccine formula because it has concluded that scaling up the company's own production is the best way to increase global supply. A company spokesperson added that they intend to scale production from 1 billion to 3 billion doses next year.