

**Wynne Health Group Weekly**



**FRAMING THE WEEK**

This week, the Medicare Payment Advisory Commission (MedPAC) kicks off the 2022-2023 meeting cycle with sessions on Medicare Advantage (MA) benefit standardization, wage index, Part B drugs, and other topics. In addition to serving as a public forum for commissioners to formulate recommendations to Congress in their March and June 2023 reports, MedPAC meetings also signal to the Administration which policy issues to prioritize and, if possible, address through rulemaking or guidance.

Commissioners will begin with a discussion on the context for the Medicare program, which will shape the context chapter of the March 2023 report to Congress and serve as background for all discussions this cycle. Each year, the context chapter highlights key national trends in health care spending for the Medicare program in particular and the country as a whole ([WHG summary](#) of March 2022 report). Medicare Trustees [estimate](#) that the Hospital Insurance Trust Fund (which pays for Medicare Part A services) will be depleted by 2028 (previously estimated to be 2026) ([WHG summary](#)).

Commissioners also examine the factors that contribute to Medicare spending growth, such as evolving demographics and growth in the volume and intensity of services provided. They are also expected to discuss the impact of the COVID-19 pandemic on the Medicare program. The COVID-19 public health emergency is currently set to expire on October 13, 2022, but we anticipate that the Biden Administration will extend the PHE another 90 days to January 11, 2023.

Details on other sessions:

- **Standardizing benefits in Medicare Advantage plans** – Commissioners are concerned that increased plan offerings and wide variation in benefit packages may make it difficult for beneficiaries to choose a plan that meets their needs. They will examine how MA plans set cost sharing for Part A and Part B services as well as how other players standardize benefit packages. Commissioners will provide guidance on future work.
- **Medicare Advantage encounter data** – MedPAC continues to monitor the accuracy and completeness of encounter data. In the June 2019 report to Congress, MedPAC [recommended](#) Congress direct the Health and Human Services Secretary to establish thresholds for completeness and accuracy; evaluate MA organization's submitted data and provide robust feedback; and concurrently apply a payment withhold and provide refunds to MA organizations that meet thresholds. As of June 2022, CMS has not fully validated [encounter data](#) needed to accurately adjust payments to Medicare Advantage organizations, as the Government Accountability Office (GAO) recommended back in 2014.
- **Reforming Medicare's wage index system** – Despite additional adjustments to Medicare's wage index system by Congress and CMS, MedPAC remains concerned about current wage index policies, including the system's inaccuracy, the circularity of hospital-reported data, the large

volume of permitted exceptions, and administrative complexity. In 2007, MedPAC recommended (1) Congress authorize the HHS Secretary to establish new wage index systems; and (2) HHS Secretary establish a hospital compensation index that:

- Uses wage data from all employers and industry-specific occupational weights,
  - Is adjusted for geographic differences in the ratio of benefits to wages,
  - Is adjusted at the county level and smooths large differences between counties, and
  - Is implemented so that large changes in wage index values are phased in over a transition period.
- **Addressing high prices of drugs covered under Medicare Part B** – MedPAC will continue to refine policy approaches for Medicare to address high prices of drugs covered under Medicare Part B. In the June 2022 report to Congress ([WHG summary](#)), MedPAC offered three approaches:
    - **Addressing uncertain clinical benefit and high launch prices of first-in-class drugs:** MedPAC says one approach is to collect clinical evidence about the new drug through coverage with evidence development (CED) and also to set a cap on the drug's payment based on its net clinical benefit compared with the standard of care. The Commission adds they specifically are considering this approach for use of selected accelerated approval drugs since they are approved with uncertain clinical benefit.
    - **Promoting price competition among drugs with therapeutic alternatives:** The Commission considers the use of reference pricing or consolidated billing codes to increase manufacturer competition among drugs with similar health effects.
    - **Improving provider incentives under the ASP payment system:** MedPAC explores options for modifying Medicare's current six percent add-on payment to improve financial incentives, including: (1) Placing a fixed dollar limit on the add-on payment; (2) Converting a portion of the percentage add-on to a fixed fee; or (3) a combination of the above two approaches.

## **THIS WEEK IN HEALTH POLICY**

### **Mon. (8/29)**

- **2:00pm – NQF Meeting: Health Equity** – The National Quality Forum (NQF) Core Quality Measures Collaborative (CQMC) holds a meeting of the Health Equity Workgroup to discuss the draft report. [Details](#).

### **Tue. (8/30)**

- **10:00am – NIH Meeting: Addiction** – The National Institutes of Health (NIH) National Institute of Neurological Disorders and stroke holds a meeting of the Helping to End Addiction Long-Term (HEAL) Multi-Disciplinary Workgroup to discuss program updates. [Details](#).
- **10:30am – ONC Meeting: Adopted Standards** – The Office of the National Coordinator of Health Information Technology (ONC) holds a meeting of the Health Information Technology Advisory Committee (HITAC) Adopted Standards Taskforce to make recommendations on ONC-adopted standards and implementation specifications. [Details](#).
- **12:00pm – SAMHSA Meeting: Substance Abuse** – The Substance Abuse and Mental Health Services Administration (SAMHSA) holds a meeting of the Center for Substance Abuse Treatment to discuss program updates. [Details](#).

### **Wed. (8/31)**

- **10:30am – ONC Meeting: Public Health Data Systems** – ONC holds a meeting of the Public Health Data Systems Task Force 2022 to identify and prioritize policy and technical gaps associated with information systems relevant to public health and identify improvements that can be made. [Details.](#)
- **11:00am – NIH Meeting: Cancer** – The National Institutes of Health (NIH) National Cancer Institute holds a meeting of the National Cancer Advisory Board to discuss program updates. [Details.](#)

#### **Thurs. (9/1)**

- **11:45am-5:00pm – MedPAC Meeting** – The Medicare Payment Advisory Commission meets to discuss Medicare issues and policy questions. [Details.](#)

#### **Fri. (9/2)**

- **9:00am-12:00pm – MedPAC Meeting** – The Medicare Payment Advisory Commission meets to discuss Medicare issues and policy questions. [Details.](#)

#### **Additional Multi-Day Events**

- **August 30-August 31 – 10:00am – HRSA Meeting: Heritable Disorders** – The Health Resources and Services Administration (HRSA) holds a meeting of the Advisory Committee on Heritable Disorders in Newborns and Children to discuss Krabbe disease, the infant formula shortage, newborn screening, and other workgroup updates. [Details.](#)

#### **FEATURED WHG ANALYSIS**

- **WHG Roundup of CMS information releases on long-term services and supports and children’s health** – In the Policy Hub Insight Bank [here.](#)
- **Blog on President Biden’s Executive Order Protecting Access to Reproductive Health Services** – On the Commonwealth Fund’s To the Point [here.](#)
- **WHG Roundup of Recent Telehealth Policy** – In the Policy Hub Insight Bank [here.](#)
- **WHG Regulatory Outlook – Summer 2022 Update** – In the Policy Hub Insight Bank [here.](#)
- **WHG Issue Brief on the Nutrition Policy Landscape** – In the Policy Hub Insight Bank [here.](#)
- **WHG A Suite Of Potential Executive Actions For A Post-Roe World** – In the Policy Hub Insight Bank [here.](#)

#### **CONGRESSIONAL LOOKBACK**

##### **Tue. (8/23)**

- **Senate Finance Committee** Chair Ron Wyden (D-OR) launched an investigation into the marketing practices of Medicare Advantage (MA) plans. [Details.](#)

#### **REGULATORY LOOKBACK**

##### **Thur. (8/25)**

- **CMS** is seeking feedback on the draft measure specification and workflow for Hospital Harm – Postoperative Respiratory Failure (PRF) an outcome eCQM patient safety measure. [Details.](#)

##### **Wed. (8/24)**

- **USPTF** finished its review on Statin Use for the Primary Prevention of Cardiovascular Disease (CVD) in Adults. [Details.](#)

##### **Tue. (8/23)**

- **USDA FNS** announced an extension of waivers to provide recipients of the Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC) through the end of the year. [Details](#).

#### **Fri. (8/19)**

- **Departments of Labor, Health and Human Services, and the Treasury** issued final rules clarifying the independent dispute resolution (IDR) process (i.e., arbitration) and increasing transparency requirements related to surprise medical bills. [Details](#).

#### **COMMENT & APPLICATION DEADLINES**

- **August 29:** CMS [issued](#) a proposed rule that would establish conditions of participation (CoPs) for rural emergency hospitals (REHs) and make updates to the CoPs for critical access hospitals (CAHs). [Details](#).
- **August 31:** The FDA [announced](#) the extension of the comment period for the draft guidance on risk management plans to mitigate the potential for drug shortages. [Details](#).
- **August 31:** CMS [issued](#) a RFI on ways to strengthen and improve Medicare Advantage. [Details](#).
- **September 1:** The CDC [seeks](#) nominations for the National Center for Injury Prevention and Control (NCIP) [Board of Scientific Counselors \(BSC\)](#). [Details](#).
- **September 2:** CMS is seeking [nominations](#) for two Technical Expert Panels (TEPs). [Details](#).
- **September 6:** CMS is seeking [nominations](#) for two Technical Expert Panels (TEPs). [Details](#).
- **September 6:** The CDC [released](#) a notice of grant funding to establish and fund regional Tuberculosis (TB) Centers of Excellence (COE). [Details](#).
- **September 13:** CMS [released](#) the CY 2023 Hospital OPPS and ASC Payment System Proposed Rule. Comments are due September 13. [Details](#).
- **September 17:** The CDC [issued](#) a request for nominations for members to serve on the Healthcare Infection Control Practices Advisory Committee (HIPAC). [Details](#).
- **September 19:** The FDA [issued](#) draft guidance on the evaluation of therapeutic equivalence. Comments are due September 19. [Details](#).
- **September 19:** HHS [announced](#) it is seeking nominations for individuals to participate as either a voting or non-voting member on the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria. [Details](#).
- **September 29:** The FDA [issued](#) draft guidance entitled: Patient Focused Drug Development: Selecting, Developing, or Modifying Fit-for-Purpose Clinical Outcome Assessments (COAs). [Details](#).
- **September 30:** The CDC is [seeking nominations](#) for the Clinical Laboratory Improvement Advisory Committee (CLIAC). [Details](#).
- **September 30:** CMMI [announced](#) a new demonstration model aimed at improving oncology care. [Details](#).
- **October 1:** The CDC [seeks](#) nominations for the CDC/Health Resources & Services Administration (HRSA) Advisory Committee on HIV, Viral Hepatitis, and STD Prevention and Treatment (CHACHSPT). [Details](#).
- **October 26:** The FDA [issued](#) a proposed rule to establish requirements for a nonprescription drug product with an additional condition for nonprescription use (ACNU). [Details](#).

#### **WHG Contacts for Inquiries**

Alyssa Llamas: [alyssa@wynnehealth.com](mailto:alyssa@wynnehealth.com); (562) 207-8807

Josh LaRosa: [josh@wynnehealth.com](mailto:josh@wynnehealth.com); (703) 309-4248

Erin Slifer: [erin@wynnehealth.com](mailto:erin@wynnehealth.com); (410) 984-4552

Billy Wynne: [billy@wynnehealth.com](mailto:billy@wynnehealth.com); (202) 309-0796

