

## Impact Health Policy Weekly

### Framing the Week

The House and Senate are both out this week for President's Day recess.

Almost two months into 2024, the focus in Washington has largely been on finishing priorities from last year including the fiscal year (FY) 2024 appropriations, creating a passable foreign aid package, and negotiating a health care package, rather than starting fresh with new initiatives. This week we highlight the must-do's for the year, as well as areas that might not result in enacted legislation but that Congress may choose to focus on before the end of the 118<sup>th</sup> Congress. Keeping in mind that this is an election year, and Congress rarely has big legislative achievements in an election year, there are still plenty of issues to be addressed.

**Appropriations:** As Congress still works to wrap up FY 2024, the FY 2025 budget season is rapidly approaching. The President is scheduled to deliver the annual State of the Union address on Thursday, March 7, and his FY 2025 budget request is expected the following week. The timing coincides with the end of the current continuing resolution (CR), which ends on March 1 for four of the appropriations subcommittees and March 8 for the remaining 8. The "health extenders" (e.g., for community health centers) that have been attached to the last several CR's will also expire on March 8. If Congress is not able to reach agreement on the FY 2024 appropriations bills, a long-term CR that will carry the government through the end of the current fiscal year is a strong possibility. Funding would be frozen at FY 2023 levels, but per the Fiscal Reduction Act, across the board cuts would go into effect for all discretionary accounts.

**Health Care Package:** At the end of last year, the House overwhelmingly passed the [Lower Costs, More Transparency \(LCMT\) Act \(H.R. 5378\)](#), including measures to strengthen price transparency requirements for hospitals, insurers, and pharmacy benefit managers and to require consistent Medicare payment for physician-administered drugs in hospital outpatient departments or doctors' offices. Reauthorizations of key health programs including the Community Health Centers, the Teaching Health Center GME program, National Health Service Corps, and the Special Diabetes Program were also included, as well as a delay to Disproportionate Share Hospital (DSH) reductions under Medicaid. Senate committees advanced several bipartisan health bills aimed at providing PBM transparency, expanding substance use disorder services and reducing prescription drug costs.

While negotiations are ongoing between the House and Senate on the size and scope of a final package, the only path forward for this package will be if Congress agrees to pass a spending deal for these health reforms to hitch a ride on. Other provisions that could be included in this package include:

- A fix to the 3.4 percent cut to Medicare physician reimbursement went into effect on Jan. 1<sup>st</sup>.
- Overdue reauthorizations for the Pandemic and All-Hazards Preparedness Act and SUPPORT Act.
- Senate Finance Committee [legislation](#) to bolster the behavioral healthcare workforce.

**Telehealth:** COVID-19-era temporary Medicare telehealth policies that loosened geographic and originating site requirements as well as allowed telehealth reimbursement at the same rates as in-person care are set to expire at the end of 2024. There has been bipartisan support for making some of these flexibilities permanent, so Congress will need to address these policies before the end of the year. A broader measure to permanently allow employers to offer standalone telehealth plans advanced through the House Committee on Education and the Workforce largely on party lines in June.

**Medicare Advantage:** Members from both parties have increasingly been paying attention to reports of overpayments, prior authorization denials, and marketing abuses in the Medicare Advantage program. Rep. Dr. Larry Bucshon (R-Ind.) has stated that Congress should investigate insurers that have been accused of improper denials of care and Senate HELP Committee ranking member Dr. Bill Cassidy (R-La.) has offered a bill to crack down on overpayments. The push for increased oversight will likely continue in 2024 with possible legislative and regulatory changes proposed.

**Prescription Drugs:** While the Health Care package currently being negotiated is expected to include policies to tackle high prescription drug costs, primarily through increased transparency changes to pharmacy benefit management (PBMs), the final product will likely not go far enough for many Members. The cost of prescription drugs likely to continue to be an area of discussion, particularly during an election year. We can also expect that Democrats and the Administration to continue to focus on implementing the [Inflation Reduction Act](#), which includes Medicare drug price negotiation.

**Artificial Intelligence:** Artificial intelligence (AI) is a policy area receiving increasing attention by both Congress and the Administration. Recent hearings, Senate AI "insight forums" led by Majority Leader Charles Schumer, and a bipartisan working group have laid the groundwork for potential legislation. House Speaker Mike Johnson is considering the establishment of a bipartisan working group to accelerate progress on AI. The question of regulatory jurisdiction remains contentious, with differing views on whether a new dedicated AI agency or bolstered existing authorities should oversee AI regulation. Without decisive congressional action, regulatory efforts may default to other federal agencies to navigate AI's evolving landscape under current laws.

**Farm Bill:** Every five years, Congress passes legislation that, among other things, sets national agriculture and nutrition policies. Known as the "Farm Bill" this legislation authorizes Supplemental Nutrition Assistance Program (SNAP), as well as other important nutrition programs at the USDA. The last Farm Bill expired on September 30, 2023, but a provision in one of the Continuing Resolutions

passed last fall temporarily reauthorized the programs until September 30, 2024. There are several contentious issues to be resolved before Congress can move forward on the Farm Bill, including funding for the SNAP program and potential work requirements for participation.

**Employer Sponsored Health Programs:** While legislative action this year is a long shot, the House Education and the Workforce Committee is laying the groundwork on efforts to lower costs and improve access to health care in employer-sponsored coverage. The topic was the focus of a [hearing](#) convened by the Subcommittee on Health, Employment, Labor, and Pensions in January and the Committee recently issued a [request for information \(RFI\)](#) to inform legislative reforms to employer-sponsored health care ([press release](#)).

### Regulatory Update

The Office of Management and Budget (OMB) is reviewing the following rules:

#### Medicare

- **Alternative Payment Models** – The [proposed rule](#) would implement a new Medicare payment model titled, Increasing Organ Transplant Access (IOTA) Model (was set for December 2023).
- **Payment Update** – The proposed rules would make policy payment updates for [acute care hospitals inpatient and long-term care hospitals](#), and [hospice](#) (April 2024).

#### Medicaid

- **Disproportionate Share Hospital Program** – The [final rule](#) would implement requirements under section 203 of the Consolidated Appropriations Act, 2021 (CAA), which relate to Medicaid shortfall and third-party payments (February 2024).
- **Eligibility and Enrollment** – The [final rule](#) would implement changes to align enrollment and renewal requirements for most individuals in Medicaid and promote maintenance of coverage (February 2024).
- **Access to Care** – A pair of [final rule](#) intended to access to care and quality outcomes for Medicaid and CHIP beneficiaries enrolled in [managed care delivery systems](#) and [fee-for-service Medicaid](#) (April 2024).

#### Commercial Insurance

- **ACA Marketplace** – The [final rule](#) would make changes to regulations governing Affordable Care Act (ACA) Marketplace plans, insurance standards, and the risk adjustment program for plan year 2025 (not specified but likely April 2024).

**Other Topics:**

- **Healthcare System Resiliency and Modernization** – The [proposed rule](#) would revise and update national emergency preparedness requirements for Medicare- and Medicaid-participating providers and suppliers (was set for December 2023).

**This Week in Health Policy**

**Mon. (2/19)**

- **Holiday – President’s Day**

**Tue. (2/20)**

- **10:00am – R Street Discussion: Bipartisan Policies to Support Families** – The R Street Institute holds a discussion on bipartisan opportunities to support families, including reforming tax bills, improving telehealth access, and ensuring labor flexibility for working parents. [Details.](#)
- **10:00am – HITAC Meeting: Interoperability Standards** – The Health Information Technology Advisory Committee (HITAC) holds a meeting of the Interoperability Standards Workgroup to discuss program updates. [Details.](#)
- **12:00pm – NASEM Meeting: Contraception Access** – The National Academies of Sciences, Engineering, and Medicine (NASEM) holds a meeting of the Standing Committee on Reproductive Health, Equity, and Society to examine pressing issues around accessibility of contraception since the Supreme Court decision in *Dobbs v. Jackson Women’s Health Organization*. A panel of health care providers and researchers will address the changing landscape of contraceptive access, the role of health care professionals in providing contraception, and issues around post-abortion contraception access. [Details.](#)

**Wed. (2/21)**

- **9:00am – CDC Meeting: CDC Updates/Moving Forward Initiative** – The Centers for Disease Control and Prevention (CDC) holds a meeting of the Advisory Committee to the Director for updates on CDC programs and the Moving Forward Initiative. [Details.](#)
- **2:45pm – AEI Discussion: Pathogens of Pandemic Potential** – The American Enterprise Institute for Public Policy Research (AEI) holds a discussion on the science and policy of gain-of-function (GOF) research of concern on pathogens of pandemic potential, including issues related to biosecurity, and oversight and the role of Congress. [Details.](#)

**Thurs. (2/22)**

- **9:00am – HHS Meeting: Antimicrobial Resistance Threat** – The Department of Health and Human Services (HHS) holds a meeting of the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria for key international stakeholders, and non-government organizations, to share their latest strategies and progress in tackling the global threat of

antimicrobial resistance, focusing on both showcasing successful international and regional initiatives and identifying areas for enhanced collaboration and knowledge exchange. [Details.](#)

- **12:00pm – HHS Meeting: Catalytic Program on Utilizing the IRA** – HHS holds a meeting as part of a “catalytic program” to support health care providers and safety net organizations in taking advantage of the tax credits, grants and other supports made available by the Inflation Reduction Act (IRA). This session will focus on an overview of IRA tax credits. [Details.](#)
- **12:00pm – KFF Discussion: Prior Authorization in Health Insurance** – The Kaiser Family Foundation (KFF) holds a discussion addressing the future of prior authorization in health care, including its use, impact on patients and providers, and how new regulations may change current practices. [Details.](#)
- **12:00pm – Health Affairs Discussion: ONC Initiatives on Health Data, AI, and TEFCA** – Health Affairs holds a discussion on the latest initiatives from the Office of the National Coordinator for Health Information Technology (ONC) on patient access to health data, AI and the recent launch of the Trusted Exchange Framework and Common Agreement with the National Coordinator for Health Information Technology Mike Tripathi. [Details.](#)
- **12:00pm – NIH Meeting: HIV Research Plan** – The National Institutes of Health (NIH) holds a meeting of the Office of AIDS Research Advisory Council for an update on the processes to develop the FY 2026-2030 NIH strategic plan for HIV and HIV-related research. [Details.](#)
- **1:00pm – Urban Institute Discussion: Disability Measurement** – The Urban Institute holds a discussion on the need for an accurate count of disabled people in the US and how the US Census Bureau proposal to change the way it measures disability excludes millions of Americans with chronic illnesses and psychiatric disabilities. [Details.](#)

### Featured Analysis

- **Impact Roundup of January Behavioral Health Actions** – In the Policy Hub Insight Bank [here.](#)
- **Impact Chart of Key Provisions of Legislative Proposals on Health Care Price Transparency Requirements** – In the Policy Hub Insight Bank [here.](#)
- **Impact Regulatory Outlook: Fall 2023 Unified Agenda** – In the Policy Hub Insight Bank [here.](#)
- **Impact Mental Health Legislative Update** – In the Policy Hub Insight Bank [here.](#)
- **Impact Artificial Intelligence Policy Round Up** – In the Policy Hub Insight Bank [here.](#)

### Congressional Lookback

#### Thurs. (2/15)

- **The House Oversight and Accountability Coronavirus Pandemic Subcommittee** convened the [first session](#) of a two-part hearing series to examine the effectiveness of vaccine safety reporting and injury compensation systems following the rollout of the COVID-19 vaccine. [Details.](#)

## Regulatory Lookback

### Thurs. (2/15)

- **CMS** issued [draft part two guidance](#) on select topics of the Medicare Prescription Payment Plan. Comments are due March 16. [Details.](#)
- **CMMI** released two updates about the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model: a model overlap [factsheet](#) and hospital global budget [financial specifications](#). [Details.](#)
- **The Tri-Departments** released the [first public use file](#) (PUF) with data on the Federal Independent Dispute Resolution (IDR) process from the first and second quarters of 2023. [Details.](#)
- **The USPSTF** released a draft research plan on screening and behavioral counseling interventions for unhealthy alcohol use in adolescents and adults. Comments are due February 28. [Details.](#)

### Weds. (2/14)

- **The FTC and HHS** issued an [RFI](#) regarding market concentration among large health care group purchasing organizations (GPOs) and drug wholesalers. Comments are due April 15. [Details.](#)

### Tues. (2/13)

- **The FNS** [invited](#) organizations to submit optional LOIs for the Supporting the Use of Indigenous Foods in the Child Nutrition Programs Cooperative Agreement and announced \$3.8 million in grants to 27 state agencies for [Farm to Food Bank](#) programs. [Details.](#)

## Comment & Application Deadlines

- **February 28:** The USPSTF released a draft research plan on screening and behavioral counseling interventions for unhealthy alcohol use in adolescents and adults. [Details.](#)
- **February 29:** The Biden Administration launched a new program called Health care Rewards to Achieve Improved Outcomes ([HEROES](#)) through the ARPA-H. [Details.](#)
- **March 1:** CMS released the [CY 2025 MA and Part D Advance Notice](#) and [Draft Part D Redesign Program Instructions](#). [Details.](#)
- **March 4:** AHRQ issued an [RFI](#) regarding the usability, feasibility, and likely uptake of a measure of severe maternal morbidity (SMM). [Details.](#)
- **March 6:** CMMI announced the [State Advancing AHEAD Model](#) to address unsustainable health care cost growth, poor population health, and disparities in health outcomes. [Details.](#)
- **March 15:** The USPSTF issued a [request for nominations](#) to serve as members of the Task Force. [Details.](#)

- **March 15:** The House Ed and Workforce Committee issued a [request for information \(RFI\)](#) to inform legislative reforms to employer-sponsored health care. [Details.](#)
- **March 16:** CMS issued [draft part two guidance](#) on select topics of the Medicare Prescription Payment Plan. [Details.](#)
- **April 1:** The Senate 340B Bipartisan Working Group released a [discussion draft](#) for the SUSTAIN 340B Act. [Details.](#)
- **April 2:** HRSA announced a [notice of funding opportunity](#) under the State Maternal Health Innovation program. [Details.](#)
- **April 15:** CMS released a [proposed rule](#) to strengthen oversight of accrediting organizations (AOs) by addressing conflicts of interest, establishing consistent standards, and updating the validation and performance systems. [Details.](#)
- **April 15:** The FTC and HHS issued an [RFI](#) regarding market concentration among large health care group purchasing organizations (GPOs) and drug wholesalers. [Details.](#)