

Impact Health Policy Weekly

Framing the Week

The House and Senate are both in recess until after Labor Day. During this Congressional break, we are taking the opportunity to provide in-depth analysis of policies under consideration for a potential lame duck package, which will culminate with the release of the Impact Health Policy Partners Lame Duck and Election Preview memo in September. This week, we focus on key health care extenders, scheduled cuts to disproportionate share hospitals (DSH), and an update on legislation focused on artificial intelligence.

Public Health Extenders

In April, as part of the Fiscal Year 2024 omnibus appropriations bill, Congress passed a [health care package](#) that reauthorized and provided funding increases for several key healthcare programs as well as eliminating scheduled cuts to DSH hospitals through the end of the year. While many of these extensions are also included in the House passed **Lower Costs, More Transparency (LCMT) Act (H.R. 5378)** and the Senate HELP Committee passed **Bipartisan Primary Care and Health Workforce Act**, Congress provided temporary extensions in a slimmed down health care package when it became clear that a broader package would not pass last spring. In order to prevent these programs from expiring, Congress will have to pass another extension or include reauthorizations in a larger health care package before the end of the calendar year. Programs that are set to expire include:

- *Community Health Centers*: the community health center grant program makes up 70 percent of the federal funds for health centers. The FY 2024 Omnibus provided a \$270 million (10%) increase in funding for the Community Health Centers program and authorized the program through December 31, 2024. The LCMT Act reauthorizes the programs through calendar year 2025 at \$4.4 billion per year. The Senate HELP Committee Bipartisan Primary Care and Health Workforce Act reauthorizes the program through FY 2026 and increases funding by \$5.8 billion per year of the authorizing period.
- *National Health Service Corps*: The National Health Service Corps supports more than 20,000 primary care medical, dental, and behavioral health providers through scholarships and loan repayment programs. It also provides a corps of health professionals that serve at more than 9,000 community health care sites seeing more than 21 million patients. The FY 2024 Omnibus bill provided \$35 million (17%) increase for the program and authorized it through the end of 2024. The LCMT Act reauthorizes the program through calendar year 2025 at \$350 million per year, and the Senate HELP Committee's Bipartisan Primary Care and Health Workforce Act reauthorizes the program at \$950 million per year from FY2024 to FY2026.

- *Teaching Health Center Graduate Medical Education Program:* The FY 2024 Omnibus bill reauthorized for the calendar year and funded the THCGME program with a \$175 million (56%) increase for FY 2024. The LCMT Act reauthorized the program for FY24-30, beginning at \$175 million in FY24 and increasing to \$300 million for each of FY 28, 29, and 30. The Senate HELP Committee bill reauthorized the program through FY2028 at \$1.5 billion.
- *Special Diabetes Programs:* The FY 2024 Omnibus Appropriations bill reauthorizes the program through the end of the calendar year and provided a \$10 million increase for Special Diabetes Programs for FY 2024. The LCMT Act extended the Special Diabetes Program through calendar year 2025 at \$170 million.
- *National Health Security Extensions–* The FY 2024 Omnibus Appropriations Bill also extended, through December 31, 2024, the Assistant Secretary for Preparedness and Response’s direct hire authority for the National Disaster Medical System, the ability for states and Tribes to request temporary reassignment of federally-funded personnel, three national advisory committees related to preparedness and response, and certain authorities related to public-private partnerships under the Biomedical Advanced Research and Development Authority.
- *Extension of Temporary Assistance for Needy Families Program and Child and Family Services Programs:* The FY 2024 Omnibus Appropriations bill extended the Temporary Assistance for Needy Families program and associated policies and programs through September 30, 2024 and child welfare programs under Title IV-B of the Social Security Act through December 31, 2024.

DSH Cuts

Medicaid Disproportionate Share Hospitals (DSH) support high-need hospitals that provide care for high rates of Medicaid and uninsured patients. Cuts to this program were set to take effect at the end of last year. The FY 2024 Omnibus appropriations delayed these cuts until the end of 2024, while the LCMT Act eliminates the scheduled cuts through FY 2025.

Artificial Intelligence

The outlook for AI legislation by the end of the year remains uncertain. Although Senate Majority Leader Chuck Schumer (D-NY) [released](#) a comprehensive roadmap for regulating AI in May, which calls on Congress to explore policy frameworks across several sectors, including health care, the activity we've seen so far includes the following:

- In May 2024, the Senate Rules and Administration Committee [advanced](#) three bills, sponsored by Chair Amy Klobuchar (D-MN), focused on elections and AI. These bills include provisions to prohibit deceptive AI content, enforce labeling requirements for AI-generated election content, and direct the Election Assistance Commission to create voluntary guidelines on AI for election administrators.

- In July 2024, the Senate Commerce Committee [advanced](#) 10 AI-related bills for consideration in the full Senate. These bills cover nearly every aspect of the AI ecosystem, from AI standards and requirements to development and research programs, and even a ban on certain AI-generated deepfakes.

Senator Schumer has discussed potential opportunities to pass AI bills in September and December, but given the limited time left in this Congress, the only realistic scenario would be to attach AI provisions to a must-pass, end-of-the-year piece of legislation, including a potential lame duck package and/or the National Defense Authorization Act (NDAA). Notably, of the 10 bills advanced by the Senate Commerce Committee, only one—the Take It Down Act—would make a substantive change in law, while the others focus on studies and coordination, deferring significant legislative action to the future. Despite the bipartisan nature of the bills advanced thus far, it also remains to be seen if they will receive similar bipartisan support in the House where no legislation has moved forward.

Regulatory Update

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

Medicare

- **Fraud** – The [final rule](#) would modify the Medicare Shared Savings Program (Shared Savings Program) regulations to address the impact of significant anomalous billing patterns on performance year (PY) 2023 Accountable Care Organization (ACO) financial reconciliation (no date).

Medicaid

- **Drug Rebate Program** – The [final rule](#) would establish requirements related to manufacturers' misclassification of covered outpatient drug products under the Medicaid Drug Rebate Program (MDRP). In addition, it finalizes beneficiary protections, as well as MDRP program integrity and administration changes (June 2024).

Private Insurance

- **ACA Marketplace** – The [proposed rule](#) would set payment parameters and provisions related to the risk adjustment programs; cost-sharing parameters; and user fees for issuers offering plans on Federally-facilitated Exchanges and State-based Exchanges using the Federal platform. It would also provide additional standards for several other ACA programs (September 2024).

Other Topics

- **Organ Procurement** – The [proposed rule](#) would make clarifications and technical modifications to the standards used to evaluate and recertify organ procurement organizations (OPOs) and to the competition and decertification process for organ procurement organizations (March 2025).

- **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).
- **Tobacco Control** – The [final rule](#) would prohibit the sale of tobacco products to persons younger than 21 years of age (was set for April 2024).
- **Retail Pharmacy Standards** – The [final rule](#) would require pharmacies and vendors to modify the currently adopted National Council for Prescription Drug Programs (NCPDP) standards to the Telecommunications Standard Implementation Guide Version F6 (F6); Batch Standard Implementation Guide version 15; and Batch Standard Subrogation Implementation Guide version 10 (was set for February 2024).

This Week in Health Policy

Mon. (8/26)

- **9:30am – CMS Meeting: OPSS Ambulatory Payment Classification** – The Centers for Medicare and Medicaid Services (CMS) holds a meeting of the Advisory Panel on Hospital Outpatient Payment to discuss the clinical integrity of the Ambulatory Payment Classification (APC) groups and relative payment weights in the Hospital Outpatient Prospective Payment System (OPSS). [Details.](#)
- **12:00pm – HITAC Meeting: Annual Report Workgroup** – The Health Information Technology Advisory Committee (HITAC) holds a meeting of the Annual Report Workgroup to discuss program updates. [Details.](#)
- **2:00pm – Urban Institute Discussion: Addressing Wealth Inequities** – The Urban Institute holds a discussion to examine solutions and potential cross-sector collaborations that address racial wealth inequities in America. [Details.](#)

Tue. (8/27)

- **9:00am – SAMHSA Meeting: Substance Abuse Treatment** – The Substance Abuse and Mental Health Services Administration (SAMHSA) holds a meeting of the Center for Substance Abuse Treatment National Advisory Council (NAC) to discuss SAMHSA's data strategy, a lookahead of fiscal year (FY) 2025 activities, and other program updates. [Details.](#)
- **9:00am – SAMHSA Meeting: Women's Services** – SAMHSA holds a meeting of the Advisory Committee for Women's Services for discussions on assessing SAMHSA's current strategies, including the mental health and substance use needs of the women and girls population and strategic initiatives and policy recommendations regarding maternal behavioral health, pregnant and parenting women, eating disorders, and gender-based violence. [Details.](#)
- **11:00am – HITAC Meeting: HTI-2 Proposed Rule Task Force** – HITAC holds a meeting of the HTI-2 Proposed Rule Task Force to evaluate and provide draft recommendations to the HITAC on the Health Data, Technology, and Interoperability: Patient Engagement, Information Sharing, and Public Health Interoperability (HTI-2) Proposed Rule. This meeting of Group 1 will be focusing on updating and revising recommendations. [Details.](#)

- **2:00pm – BPC Discussion: Housing Choice Voucher Program Reform** – The Bipartisan Policy Center (BPC) holds a discussion to explore the opportunities and challenges of a proposed reform to the Housing Choice Voucher (HCV) program to encourage increased landlord participation by providing direct rental assistance payments to eligible households instead of routing subsidies through local public housing authorities to landlords. [Details.](#)

Wed. (8/28)

- **9:00am – SAMHSA Meeting: Substance Abuse/Mental Health Services** – SAMHSA holds a Joint Meeting of the National Advisory Councils (Joint NAC) to discuss program updates, youth engagement efforts, criminal justice, and suicide prevention. [Details.](#)
- **11:00am – HITAC Meeting: HTI-2 Proposed Rule Task Force** – HITAC holds a meeting of the HTI-2 Proposed Rule Task Force to evaluate and provide draft recommendations to the HITAC on the Health Data, Technology, and Interoperability: Patient Engagement, Information Sharing, and Public Health Interoperability (HTI-2) Proposed Rule. This meeting of Group 2 will be focusing on: Conditions and Maintenance of Certification. [Details.](#)

Thurs. (8/29)

- **11:00am – HITAC Meeting: HTI-2 Proposed Rule Task Force** – HITAC holds a meeting of the HTI-2 Proposed Rule Task Force to evaluate and provide draft recommendations to the HITAC on the Health Data, Technology, and Interoperability: Patient Engagement, Information Sharing, and Public Health Interoperability (HTI-2) Proposed Rule. This meeting of Group 3 will be focusing on administrative updates. [Details.](#)
- **1:00pm – U.S. News and World Report Discussion: Health Care Worker Safety** – U.S. News and World Report holds a discussion to explore potential solutions, including the use of de-escalation teams and improved data collection, to reduce the risk of workplace violence against health care workers. [Details.](#)
- **1:30pm – HHS Meeting: Combating Antibiotic-Resistant Bacteria** – The Department of Health and Human Services (HHS) holds a meeting of the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria (PACCARB) to deliberate and vote on transmittal of the draft resolution letter from the Immediate Action Subcommittee to the HHS Secretary. [Details.](#)

Additional Multi-Day Events

- **Aug 28-Aug 29 – HHS Meeting: HIV/AIDS Updates** – HHS holds a meeting of the Presidential Advisory Council on HIV/AIDS to discuss U.S. government's global HIV response, the science and impact of "Undetectable - Untransmittable", or U – U, and Affordable Care Act risk adjustment model to expand access and uptake of pre-exposure prophylaxis (PrEP). [Details.](#)

Featured Analysis

- **Impact Chart of PBM Legislation** – In the Policy Hub Insight Bank [here.](#)
- **Impact Regulatory Outlook: Spring 2024 Unified Agenda** – In the Policy Hub Insight Bank [here.](#)
- **Making Sense of the New Landscape for Health Policy After Recent Supreme Court Decisions** – In the Policy Hub Insight Bank [here.](#)

- **Impact Mental Health Legislative Update** – 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](#).

Regulatory Lookback

Thurs. (8/22)

- **The Biden Administration** launched a new [“Time Is Money” initiative](#), aimed at reducing everyday hassles that waste Americans’ time and money. [Details](#).
- **USPSTF** issued a [final recommendation statement](#) on screening and supplementation for iron deficiency during pregnancy. [Details](#).

Mon. (8/19)

- **CMMI** released a [NOFO](#) to apply for Cooperative Agreement funding to support states’ participation in the [Cell and Gene Therapy \(CGT\) Access Model](#). Applications are due February 25. [Details](#).

Comment & Application Deadlines

- **August 26:** CMS issued the CY 2025 home health prospective payment and rate update [proposed rule](#). [Details](#).
- **August 26:** CMS released its CY 2025 end-stage renal disease (ESRD) prospective payment system (PPS) [proposed rule](#). [Details](#).
- **September 2:** CMS released an [ICR](#) for the Negotiation Data Elements and Drug Price Negotiations Process for IPAY 2027 of the Medicare Drug Price Negotiation Program. [Details](#).
- **September 7:** The FDA released [draft Q&As](#) to address misinformation about medical devices and prescription drugs. [Details](#).
- **September 9:** CMS released the CY 2025 MPFS [proposed rule](#). [Details](#).
- **September 9:** CMS released the CY 2025 OPPTS/ASC [proposed rule](#). [Details](#).
- **September 20:** CMS released a [notice of funding opportunity \(NOFO\)](#) for the Transforming Maternal Health (TMaH) Model. [Details](#).
- **September 25:** **AHRQ** issued a [Notice of Funding Opportunity \(NOFO\)](#) aimed at exploring the impact of artificial intelligence (AI) technologies on patient safety. The first application due date is September 25, 2024. The current closing date for applications is May 25, 2027. [Details](#).
- **September 26:** The FDA issued [draft guidance](#) entitled “Diversity Action Plans to Improve Enrollment of Participants from Underrepresented Populations in Clinical Studies.” [Details](#).
- **September 30:** The CDC is [seeking nominations](#) for membership on the Healthcare Infection Control Practices Advisory Committee (HICPAC). [Details](#).

- **February 25:** CMMI released an [RFA](#) for the Cell and Gene Therapy Access Model. [Details.](#)
- **February 25:** CMMI released a [NOFO](#) to apply for Cooperative Agreement funding to support states' participation in the Cell and Gene Therapy (CGT) Access Model. [Details.](#)