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FEBRUARY 18, 2020

Welcome to America's Physician Groups' "Healthcare on the Hill," where you can get the latest on healthcare happenings in our nation's capital--and with a special focus on the value-based care movement. Here's what you will find in this edition:

- *APG Webinars: Now You Know What You Don't Know*
- *White House Budget: Let The Games Begin*
- *Never Give Up! Congress Tackles Surprise Billing*
- *New Report on the Cost of Healthcare*
- *Register Today! APG Annual Conference 2020 in San Diego!*

*Think someone else may enjoy "Healthcare on the Hill?" **Forward this email and have them click [here](#) to be added to our subscription list.** And remember, you can always visit our [website](#) for more news and resources.*

*Valinda Rutledge
Senior Vice President of Federal Affairs
America's Physician Groups*

APG Host Series of Webinars

Using Data Analytics to Achieve Success in Risk-Based Contracts

Register today for America's Physician Groups and CareJourney's Deep Dive Webinar on Data Analytics on Thursday, February 27 from 2:00 pm – 3:00 pm ET.

We have gathered a set of experts who will help you not only make sense of data but also use it to build better networks, track referrals, benchmark providers, and improve performance in risk-based contracts.

Joining me on the webinar will be **Aneesh Chopra, President of CareJourney**, who will lead a discussion with industry experts to help you overcome those roadblocks and find the pathway to success in value-based care. Learn how the nation's leading health providers are tackling these everyday challenges as they share best practices, lessons learned, and tips to:

- Build better networks
- Optimize existing network performance
- Identify best practices and best/worst performing providers for inclusion/exclusion
- Identify and minimize network leakage

Hear from our expert panelists:

Anas Daghestani, President and CEO, Austin Regional Clinic

Melanie Matthews, CEO, Physicians of Southwest Washington

Steve Neorr, Chief Administrative Officer, Triad HealthCare Network

Adrienne Wagner, Vice President, Quality Improvement, The Everett Clinic

CMS Releases Medicare Advantage Advance Notice Part II and MA Proposed Rule

APG will host a **Deep Dive Webinar on Tuesday, March 10 from 2:00 pm – 3:00 pm ET that will cover both [Part I](#) and [Part II](#) of the Medicare Advantage (MA) Rate Notice as well as the [proposed rule](#) on policy changes in MA.** You can register for the webinar [here](#).

On February 5, CMS released both the [Part II proposed Rate Notice](#) (comments on

the Rate Notices are due March 6) and the **MA proposed [rule](#)** on policy changes (comments due April 6) to strengthen and modernize the MA and Part D prescription drug programs.

Key highlights include:

- The proposed rate notice is expected to increase the plans' revenue by 0.93 percent as opposed to 2.53 percent in 2020
- Beneficiaries are allowed to compare their out-of-pocket payments for different prescription drugs through a real-time benefit tool
- The use of telehealth is expanded in Network Adequacy standards
- CMS describes payment methodology for 2021 MA ESRD populations

Administration

Judges Rule Against Trump Administration Medicaid Work Requirement

A federal appeals court ruled against the application of the Trump Administration's Medicaid beneficiary work requirement in the state of Arkansas. In its ruling, the judges found that the Department of Health and Human Services (HHS) does not have the authority to require Medicaid enrollees to work or participate in other activities in order to receive benefits.

This ruling impacts Arkansas only. The Trump Administration approved the Medicaid work requirement for 10 states in total, while nine additional states have sought similar rules.

The introduction and subsequent activity around Medicaid work requirement may be a sign of things to come: the administration rolls out regulations, the regulations are challenged in court, and the implementation of the regulations are delayed or stopped altogether.

White House Releases FY2021 Budget

The recently released \$4.8 trillion White House budget requests \$94.5 billion for HHS—a 10 percent decrease from 2020 levels. The budget also introduces \$1.6 trillion in savings in programs operating under the Centers for Medicare & Medicaid Services (CMS)—specifically Medicare and Medicaid—over the next 10 years.

It is important to note that White House budgets are traditionally seen as providing a sense of what a president's priorities are and serve more as a way to begin the debate on how much money the nation spends and where that money is spent.

Congress

With impeachment in its rear view, Congress is returning to the business of governing and has focused on the issue of surprise billing. Both the House Education and Labor (E&L) Committee and the House Ways and Means (W&M) Committee moved forward with legislation to end surprise billing. However, there are notable differences between the two bills.

The E&L Committee's "Ban Surprise Billing Act" (H.R. 5800) would protect patients from surprise bills while creating a two-tiered track for resolving billing disputes between providers and insurers. Reimbursement for disputed bills below \$750 would be tied to a federal benchmark at the median in-network rate; for bills above \$750, an alternative dispute resolution process would be allowed. Committee members offered a series of unsuccessful amendments aimed at opening the bill up to more arbitration.

The W&M Committee's "[Consumer Protections Against Surprise Medical Bills Act of 2020](#)" (H.R. 5826) also ends surprise billing for patients. But H.R. 5826 diverges from other Committees on the solution to the reimbursement issue by allowing all claims disputes between providers and insurers to be addressed through an independent dispute resolution process. In this new process, an independent arbiter will consider each party's best offer, along with any supporting information each party brings to the table, and the median contracted rate specific to the plan, and for similar providers, services, and geographic area.

Although critics of the W&M Committee's approach have suggested it will drive up healthcare costs, the Congressional Budget Office (CBO) released an estimate last week that said the [Consumer Protections Against Surprise Medical Bills Act of 2020](#) would reduce healthcare costs by \$17.8 billion over ten years, and premiums by between 0.5 and 1 percent in most markets.

The White House said in a statement that it was "encouraged" by recent proposals from the two Committees, but "concerned that a push to overuse arbitration will raise healthcare costs". Many analysts read this as a criticism of the W&M Committee's approach and support for alternative legislation.

In the coming weeks, leadership in the House will be working to resolve differences between the competing approaches and build support for a unified approach in advance of a May 22nd deadline to address health extender legislation.

HCCI Report

The [Health Care Cost Institute](#) released its [2018 Health Care Cost and Utilization Report](#) which uses information from 2.5 billion medical claims to analyze healthcare spending for Americans with employer-sponsored insurance (ESI). According to the report, per-person healthcare spending grew by 18 percent in the five-year period between 2014 to 2018, with higher prices for healthcare services being the primary driving force behind that growth.

The report also found that out-of-pocket spending rose by \$114 per person (14.5 percent) in that same five-year period.

You can click [here](#) to read the report.

APG Annual Conference 2020

We're excited to have Dr. Ali Parsa, founder and CEO of Babylon, as a keynote speaker at our Annual Conference 2020 The Value Movement Grows Up: What's Next? May 28-30 in San Diego. Add to that our signature networking events and the beautiful backdrop of San Diego and you have a Conference you can't miss! [Register today!](#)





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