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September 15, 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.

As our nation--and the world--continues to face the many challenges presented by COVID-19, we are working to ensure you have the very latest information on the virus and our rapidly changing healthcare landscape.

*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
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CMS Releases 2022 Medicare Advantage Advance Notice Part I – Risk Adjustment
Yesterday evening, the Centers for Medicare & Medicaid Services (CMS) released [Part I of the Contract Year \(CY\) 2022 Advance Notice of Methodological Changes for Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies](#) three months earlier than scheduled. The notice outlined information about the Part C CMS-Hierarchical

Condition Categories (HCC) risk adjustment model and the use of encounter data for CY2022. CMS is proposing to fully phase in the CMS-HCC model first implemented for 2020, adding variables that count conditions in the risk adjustment model and including additional conditions for payment such as mental health, substance use disorder, and chronic kidney disease. Under CMS' proposal, the Part C risk score used for payment in 2022 would solely use encounter data as the source of MA diagnoses. The agency is also proposing to discontinue the policy of supplementing diagnoses from encounter data with diagnoses from inpatient records submitted to the Risk Adjustment Processing System for calculating beneficiary risk scores.

The early announcement was made to allow MA organizations and Part D sponsors more time to plan for their bids in 2022 and better address 2022 plan cost estimates due to the COVID-19 pandemic.

CMS Releases 2019 Data on MSSP Pathways to Success ACO Performance

Yesterday, the Centers for Medicare and Medicaid Services shared 2019 Medicare Shared Savings Program ACO performance results under the "Pathways To Success" program that requires ACOs to accept downside risk sooner than the previous MSSP program. Data show that ACOs participating in the program achieved higher savings than ACOs that were still participating in the traditional model. The 205 ACOs participating in Pathways to Success had an average net savings of \$169 per Medicare beneficiary, \$64 higher than the average savings for the 336 ACOs in the traditional model. The 66 new entrants to the ACO program that joined Pathways to Success reached an average of \$150 in net savings, the first time ACOs new to the program performed better than the benchmark, according to CMS Administrator Seema Verma. "These early results suggest that **greater financial accountability** under the Pathways to Success policies has produced the stronger incentives for ACOs to deliver better coordinated and more efficient care for Medicare beneficiaries," said Administrator Verma. In total, ACOs in both Pathways to Success and the traditional model saved Medicare \$1.19 billion, an increase from \$740 million dollars in 2018. You can view the fact sheet [here](#).

These results support the CMS goal of developing APMs that have a more rapid pathway to greater financial risk for participants.

The Administration Funds New Vaccine Tracking System

Early on Sunday, the Administration announced that they would fund a new "Vaccine Administration Management System" to the tune of \$16 million to one contract awarded to Deloitte Consulting to develop a new system to administer and track COVID-19 vaccines and other immunizations. This system is intended to replace the current state system

known as “vaccine registries.” It has been reported that Deloitte is using technology from Salesforce and has been conducting pilots in four states over this past summer.

The CDC stated that they expect to see a version of the software shortly but remain concerned that states may not have enough time to enhance their existing system in time. It is also reported that states have been asked to be ready to provide up to two COVID-19 vaccines in the next couple of months. Many are concerned that requiring two vaccines at different times could be a major challenge to manage and could cause increased reporting requirements. The CDC issued a statement saying there are “inconsistent and disparate capabilities” among the states and that some systems require modernization to support increased reporting, especially to receive data in real-time. The agency added that data collected through the new system will flow back into existing state vaccine databases, and that it’s being built “given the accelerated timeline needed to implement a national, coordinated vaccine tracking approach.”

Outline of Necessary Extenders for Continuing Resolution Released by the White House

The Office of Management and Budget released its [list](#) of specific programs that the White House considers to be necessary for inclusion in the Continuing Resolution (CR) Congress must pass by September 30 to keep the federal government fully funded. Some of the programs listed as necessary for continued funding include the Medicaid Money Follows the Person Rebalancing Demonstration, Community Health Centers and the National Health Service Corps, and the spousal impoverishment protections for recipients of home and community-based services and the Medicare Rural Community Hospital Demonstration Program, which is scheduled to expire at the end of 2021.

President Trump Signs New Executive Order on Prescription Drug Prices

Sunday night, President Donald Trump signed a fifth [executive order](#) aimed at lowering prescription drug prices. The latest order covers "most-favored-nation pricing", directing Medicare to test matching pricing for certain expensive prescription drugs with the prices paid by other developed countries. The system reflects the lower prices that other nations typically pay prescription drugs as a result of those governments often determining the cost. The President [tweeted](#) "Just signed a new Executive Order to LOWER DRUG PRICES! My Most Favored Nation order will ensure that our Country gets the same low price Big Pharma gives to other countries. The days of global freeriding at America's expense are over ... and prices are coming down FAST! Also just ended all rebates to middlemen, further reducing prices."

The pharmaceutical industry has expressed its opposition to the order, but after being

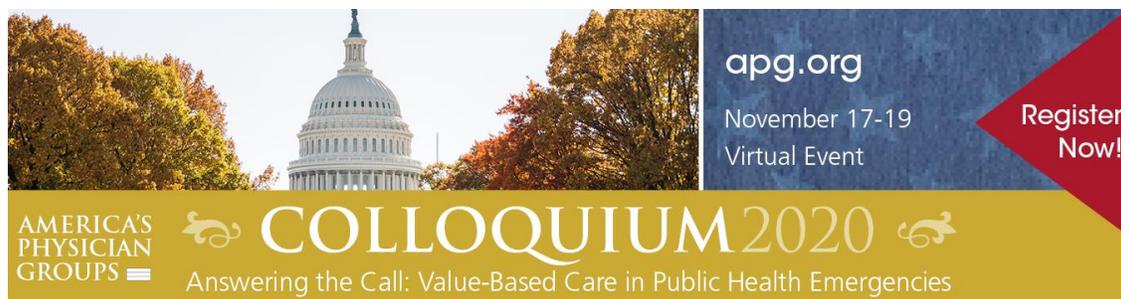
unable to produce a counter proposal within the one-month deadline offered by the President, the White House decided to move forward.

APG Colloquium 2020: Answering the Call: Value-Based Care in Public Health Emergencies

Have you registered for the virtual **APG's Colloquium 2020** on November 17-19? November is right around the corner, so I encourage you to [register by October 1](#) to get Early Bird rates and save \$125. APG member groups that register 10+ people can also save an extra \$50 per person!

We have an outstanding line-up of sessions with and high-profile speakers. This program will have something for everyone.

- **Mid-Pandemic: Should We Be Doubling Down on Value?** with **Mark McClellan, MD, PhD**, Director, Margolis Center for Health Policy, Duke University, as well as former FDA Commissioner and CMS Administrator
- **Are APM's on the Right or Wrong Track?** with **Kavita Patel, MD**, Nonresident Fellow, Brookings Institution, Physician Technical Advisory Committee member, and frequent guest on NBC/MSNBC. Dr. Patel was also former Director of Policy for the Office of Intergovernmental Affairs and Public Engagement in the White House
- **Evolving COVID-19 Policy Issues** with **Rebekah E. Gee, MD, MPH**, Chief Executive Officer, LSU Health Care Services, and former Secretary of the Louisiana Department of Health
- **COVID-19: The Actuarial Challenge Today, Tomorrow, and Into the Future** with Chris Girod, FSA, MSAA, Principal & Consulting Actuary, Milliman



The banner features a photograph of the United States Capitol building in Washington, D.C., framed by trees with autumn foliage. The text on the banner includes the website apg.org, the dates November 17-19, and the event type Virtual Event. A red arrow points to the text "Register Now!". The logo for America's Physician Groups is on the left, and the main title "COLLOQUIUM 2020" is in large white letters on a gold background, with the subtitle "Answering the Call: Value-Based Care in Public Health Emergencies" below it.

apg.org
November 17-19
Virtual Event

Register Now!

AMERICA'S PHYSICIAN GROUPS

COLLOQUIUM 2020
Answering the Call: Value-Based Care in Public Health Emergencies



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