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**December 22, 2020**

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### **Congress Reaches Deal on New Coronavirus Relief, Funding Bills**

Leadership in the House of Representatives and Senate recently reached an [agreement](#) on a new coronavirus relief package totaling just under \$900 billion. The package includes various allotments designed to provide relief to different sectors of the US workforce and economy in continuing to respond to COVID-19 and the resulting pandemic. The bill includes:

#### **Healthcare-focused Policies**

### Provider Relief Fund

- \$3 billion and new distribution requirements for the Provider Relief Fund
  - Ensures 85 percent of the monies currently unobligated in the Provider Relief Fund are allocated equitably via applications that considers financial losses and changes in operating expenses
  - Clarifies that payments made prior to September 19, 2020 must be calculated using the Frequently Asked Question guidance
  - Allows additional flexibility for providers by allowing eligible healthcare providers to transfer all or any portion of such payments among the subsidiary eligible healthcare providers of the parent organization

### Physician Fee Schedule

- \$3 billion in budget neutrality adjustments to the Medicare Physician Fee Schedule (PFS)
  - A one-time, one-year increase in the Physician Fee Schedule of 3.75 percent to support physicians and other professionals in adjusting to changes in the fee schedule during 2021
  - Designed to mitigate CY2021 PFS changes that made cuts for certain providers such as specialists as a result of E/M payment changes
- Keeps in place the current quality payment (QP) payment (50%) and patient count (35%) thresholds for advanced APMs in payment years 2023 and 2024 (performance years 2021 and 2022)
  - Will help more providers qualify for the 5 percent APM payment
  - Also keeps the current Partial Qualifying APM participant payment and patient count thresholds for payment years 2023 and 2024 (performance years 2021 and 2022)
- 3-year freeze of the GPC-1X add-on code for inherently complex E/M visits
  - CMS will no longer pay for this code, which would negatively affect payment for many providers
- Extension of the Medicare Sequestration moratorium to March 31, 2021

### Other Healthcare Provisions

- Delays implementation of the Medicare radiation oncology model for an additional six-months to July 1, 2022
- 3-year extension of numerous public health programs, including funding for Community Health Centers and the Special Diabetes Program

- Elimination of Medicare copays for colonoscopy treatment
- Expansion of the Medicare GME program
- Permanent expansion of Medicare coverage of mental health telehealth services
- Requires Medicare Part D plans to use a “real-time benefit tool” in order to give doctors and Medicare beneficiaries information about how much a patient will pay for a drug while they are in the doctor’s office

### **Other Policies**

- \$600 stimulus checks for adults and children
- \$300 increase to weekly unemployment benefits for 11 weeks (through March 14)
- \$284 billion for the Paycheck Protection Program and extension of the program through March 31, 2021
- Renewal of the employee retention tax credit for businesses that keep workers on their payroll
- \$69 billion for contact tracing, vaccine distribution
- \$7 billion for expanded broadband internet infrastructure and connectivity for low-income Americans

In addition to the relief package, Congress is set to attach the bill to a \$1.4 trillion government funding bill that will fund the federal government and keep it open through September. The spending bill finalized \$1.4 billion for border wall construction, includes the Hyde Amendment, and adopts surprise billing legislation that:

- Prohibits both surprise billing and balance billing
- Prevents patients from paying bills received more than 90 days after a visit
- Requires health plans and providers to provide patients with more information on their networks and costs
- Settles payer-provider disputes on out-of-network charges through a third-party arbitration process

Although he is not expected to, if the President were to veto the bill, Congress would need to vote to override the veto by January 3<sup>rd</sup> when the new 117<sup>th</sup> Congress convenes, otherwise the legislative process would have to start over with a new bill.

### **President Trump to Possibly Veto the National Defense Authorization Act**

President Trump is continuing to threaten a possible veto of the National Defense Authorization Act due to his unhappiness with the inclusion of a tech liability shield, renaming military bases named for former Confederates, and his perception that the bill is weak on China. The House has already made plans to return to Congress to vote for an

override of the veto on December 28<sup>th</sup>. Senate Majority Leader Mitch McConnell (R-KY) has already agreed with Senate Minority Leader Chuck Schumer (D-NY) to return on December 29<sup>th</sup> if the veto override passes the House. Congress has until noon on Jan. 3 to override the veto and if it fails to do so, it would need to start from scratch on the bill, and it would be the first time in 60 years the bill does not become law.

### **CMS: National Healthcare Spending Continues Steady Growth**

Last week, the Office of the Actuary at the Centers for Medicare and Medicaid Services (CMS) released its latest [estimates](#) on national healthcare spending. The data found that in 2019, healthcare spending in the United States increased by 4.6 percent to a total of \$3.8 trillion, accounting for \$11,582 per person. The growth rate is consistent to the rate found in 2018 of 4.7 percent, remaining steady with the average annual spending growth rate of 4.5 percent since 2016. Due to the suspension of the tax on health insurance in 2019 caused a decrease in the net cost of health insurance.

### **CMS Begins Hospital Price Transparency Audits**

Last week, CMS [announced](#) that starting on January 1, the agency will take a sample of hospitals and conduct audits to ensure that hospitals are compliant with the [Hospital Price Transparency final rule](#) that was released last year. The rule required hospitals to provide the public with a listing of all their services and charges, in addition to their payer-specific negotiated charges in a consumer friendly format. The final rule is intended to promote price transparency for consumers to help everyone make more informed decisions about their healthcare options and reduces costs.

If the agency determines that a hospital is not compliant, a monetary penalty could be imposed. To ensure your organization is compliant, you can find more information [here](#).



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