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December 7, 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
America's Physician Groups

President Elect Joe Biden Appoints Healthcare Team Leaders

President-elect Joe Biden has announced the selection of California Attorney General Xavier Becerra to lead HHS and Dr. Rochelle Walensky to lead the CDC.

Xavier Becerra has served as the Attorney General of California since 2017 and led the effort in CA to overturn the ACA in California v. Texas. He was also a member of the House of Representative serving Los Angeles from 1993 to 2017. Dr. Rochelle Walensky,

MD, MPH is a Professor of Medicine at Harvard Medical School and a practicing Infectious Disease physician at Massachusetts General Hospital and Brigham and Women's Hospital.

CMMI for New Geographic Direct Contracting Model

Last week, the Centers for Medicare & Medicaid Innovation Center (CMMI) announced details on the Geographic Direct Contracting Model (Geo).

APG issued a [press release](#) soon after the announcement applauding CMMI for initiating this new payment and care delivery model that continues the agency's commitment to move away from the fee-for-service model and toward more transformative models of care that reward value while accounting for improved population health, quality, and the patient experience.

Geo is a new payment and health care delivery model that will test whether a geographic-based approach can improve health and reduce costs for Medicare beneficiaries across a geographic region. Geo participants will take full risk with 100 percent shared savings and shared losses for Medicare Parts A and B in Medicare fee-for-service in a specific geographic region. This model will begin in January 2022 and will be tested over a six-year period in four to 10 regions.

The four primary goals of Geo are to provide Medicare beneficiaries with:

- Better care
- Better benefit enhancements and engagement incentives
- Lower out-of-pocket costs
- Strong beneficiary protections

Providers in the test regions will have the option to enter into value-based payment arrangements. Health care providers that choose not to participate will continue to be reimbursed at 100 percent of Medicare fee-for-service rates.

This new model is reflective of the shared goals between CMMI and APG as our member organizations have dedicated substantial investments and planning in preparation for the transformation of the nation's healthcare system from focusing on volume toward value-based care. Geo ensures that moving forward, more models will account for quality of care for patients while encouraging providers and organizations to take on risk. For more information on Geo, click [here](#).

Congress Continues Discussions on Funding, COVID-19 Relief Bills

As the December 11 deadline to avoid a shutdown of the federal government looms, Congress appears poised to pass a one-week long continuing resolution to keep the government funded that could be introduced as soon as today as they continue to

negotiate a longer term package. Congressional leaders have the bulk of a spending agreement on all 12 federal funding bills worked out, but issues remain surrounding border wall funding, beds for detained immigrants, Veterans Affairs healthcare spending, and environmental program funding.

Congress also hopes to use funding bill negotiations to power through an agreement of a relief bill for the coronavirus pandemic, with a proposed bipartisan bill totaling more than \$900 billion having been released last week that would include \$35 billion in increased funding for the Provider Relief Fund, \$288 billion for the Paycheck Protection Program, vaccination distribution, state and local government support, and short-term liability protection for businesses against COVID-19 litigation. Senate Majority Leader Mitch McConnell (R-KY) has released his own package that would expand COVID-19 liability protection for businesses and include a short-term extension of unemployment benefits. Congressional negotiations on a final compromise bill are expected to continue.

HHS Announces Fourth Amendment to PREP Act

Last week, the Department of Health and Human Services announced a fourth [amendment](#) to be added to the Declaration under the Public Readiness and Emergency Preparedness Act (PREP Act). The new amendment mainly focuses on immunity protections and other protections for healthcare professionals in preparation for the distribution of COVID-19 vaccines.

These issues include:

- Authorization for healthcare personnel to use telehealth to order or administer Covered Countermeasures for patients in a state other than the state where the healthcare personnel are already permitted to practice
- An additional pathway to satisfy the Declaration's Limitations on Distribution section
 - Covered Persons now have immunity under the PREP Act if they use on-label Covered Countermeasures licensed, approved, cleared, or authorized by the Food and Drug Administration (FDA) to combat the COVID-19 public health emergency
- A new pathway for immunity under the PREP Act for Covered Persons who use respiratory protective devices approved by NIOSH that the Secretary determines to be a priority for use to combat the COVID-19 public health emergency, without satisfying the Declaration's other restrictions
- Expansion of the scope of PREP Act immunity to cover potentially more healthcare providers who could administer COVID-19 and other vaccine
- Clarification of the scope of PREP Act immunity

2021 Hospital Outpatient Prospective Payment System Final Rule Released

Last week, the Department of Health and Human Services released its Calendar Year (CY) 2021 Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System (OPPS) [Final Rule](#). The rule finalized a number of proposals including:

IPO List:

- Elimination of the Inpatient Only (IPO) list over a three-year transitional period, beginning with the removal of approximately 300 primarily musculoskeletal-related services
 - The IPO list will be completely phased out by CY2024
 - Procedures removed from the IPO list may become subject to medical review activities related to the 2-midnight rule
 - These procedures will be eligible to be paid by Medicare in the hospital outpatient setting when outpatient care is appropriate and maintain the ability to pay for these services in the inpatient setting when inpatient care is appropriate, as determined by the physician
- Procedures removed from the IPO list beginning January 1, 2021 will be indefinitely exempted from:
 - Site-of-service claim denials under Medicare Part A
 - Eligibility for Beneficiary and Family-Centered Care-Quality Improvement Organization (BFCC-QIO) referrals to Recovery Audit Contractors (RACs) for noncompliance with the 2-midnight rule
 - RAC reviews for “patient status” (site-of-service)

APG’s Deep Dive on How Does the First 100 Days of a Biden Administration Set the Stage for Healthcare Transformation in the Country

Now that the Election has finally come to an end and President-elect Joe Biden begins his transition to the White House, we have scheduled a timely dialogue with former federal officials to talk about what the value based movement may look like with a new administration.

Please join me for this exciting discussion on "***How does the first 100 days of a Biden Administration set the stage for healthcare transformation in the Country***" at our next Webinar on December 9 at 3:00 pm ET.

[Register here](#)

We have a very exciting line up of former Federal officials including:

Anand Parekh
Chief Medical Officer
Bipartisan Policy Center
(former HHS Deputy Assistant Secretary)

Cybele Bjorklund
Vice President, Federal Strategy
Johns Hopkins University and Johns Hopkins Medicine
(former Senior Health Advisor for the Committee on Ways & Means)

Sean Cavanaugh
Chief Policy Officer and Chief Commercial Officer
Aledade
(former CMS Deputy Administrator)

Ankit Patel
Assistant Vice President, Bundled Payment Solutions
CareCentrix
(former Senior Advisor at CMMI on payment reform models)
