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April 6, 2021

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.

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Executive Vice President of Federal Affairs
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MedPAC Sets Recommendations for June Report to Congress

Last week, the Medicare Payment Advisory Commission (MedPAC) approved a slew of policy recommendations for the Medicare program for inclusion in its upcoming annual report to Congress in June. The Commission recommended the following:

- A simplification of CMS' approach to alternative payment models (APM) that would include fewer alternative payment models that are instead designed to work together to support the strategic objectives of reducing spending and improving quality

- CMS changed its pass-through drug policy for outpatient services to only cover drugs and biologics tied to a service and that are clinically superior
- Replaced the current Skilled Nursing Facility program with a new one
- New Medicare Advantage (MA) benchmarking policies
 - Reduce federal spending on MA plans
 - Using a blend of local and national markets as benchmarks
 - Ending the pre-Affordable Care Act cap on benchmarks
 - Remove quality bonus from benchmark

The APM recommendation is an updated version of the recommendation presented at last month's meeting which MedPAC commissioners and staff suggested in an attempt to adjust the approach to APMs. Some commissioners stated their concern that the recommendation will not adequately lower spending or improve quality since only 20 percent of clinicians take part in multiple payment models.

The Commission's changes to MA benchmarking would adjust how CMS ties MA payments to fee-for-service spending, increase the rebate to at least 75 percent, and adopt a two percent discount rate. Some commissioners stated their support for a higher discount rate than was recommended while others expressed concern for how inefficiently they believe MA finances supplemental benefits are.

President Biden Unveils New American Infrastructure Plan Including Home, Community-based Care Expansion

Last week, President Biden unveiled the American Jobs Plan, the first part of his Build Back Better initiative. The \$2.2 trillion plan seeks to make substantial investment in physical infrastructure nationwide over an eight-year period while increasing access to resources and spurring job growth. The plan includes a 15-year, seven percent increase in the corporate tax rate to partially fund it. Included in the plan is a request that Congress allocate \$400 billion toward expanding access to both home and community-based healthcare under the Medicaid program, which covers payment for approximately 5 million elderly and disabled persons across the country, and an expansion of the Money Follows the Person program that provides state funding so that the disabled and elderly can be transferred from institutions into community-based care. The Senate Parliamentarian ruled yesterday that they will allow for a second reconciliation bill to be moved during the current 2021 fiscal year, opening the door for the Democrats to move the American Jobs Plan through reconciliation in order to avoid a Republican filibuster. Senator Joe Manchin (D-WV) has stated however that the Democrats may be between six or seven votes short of the amount needed for passage due to concerns from some Democrats that the increase in the corporate tax rate could threaten US global competitiveness.

CHART Model RFA's Delayed to Spring 2022

Last week, CMS announced that the Community Health Access and Rural Transformation

(CHART) Model ACO Transformation Track Request for Applications (RFA) would be delayed until spring 2022. The model intends to help address disparities in rural areas by providing funding to build systems of care through a Community Transformation Track to allow providers to participate in value-based payment models and move away from volume. Information about the CHART model can be found [here](#).

CMS Delays Claims Pending Further Action

Last week, CMS instructed the Medicare Administrative Contractors (MACs) to temporarily hold claims with dates of service on or before April 1 to allow more time for Congress to pass legislation suspending the 2 percent sequester cut that resumed on that same date. The Senate passed legislation delaying the restart of the Medicare sequester through the end of 2021 but the House is not expected to act until the week of April 12.

CMS Expands the AAP Program

Last week, CMS expanded the existing COVID-19 Accelerated and Advance Payments (CAAP) Program to a larger group of providers and suppliers, which is intended to provide funds to Part A providers and Part B suppliers during a disruption in their claims processing. This Medicare loan program allows CMS to make advance payments to providers that are typically used in emergencies such as the COVID pandemic. CMS announced that recoupment of AAP loans began this week and providers will not have to repay the loans until one year after the payment was issued. In addition, payments will be recouped at a rate of 25 percent for the first 11 months and at a rate of 50 percent for another six months. CMS will then send a letter to the provider for the remaining balance at an interest of 4 percent. Additional information can be found [here](#).

[Launch of APG Direct Contracting Coalition](#)

CMMI announced that the **Global/Professional Direct Contracting** will start April 1st and the participation agreements and other associated documents were distributed to participants. APG has been working hard to help your organizations prepare for the launch of this model, but we know that with the recent delay by CMMI of the GEO model and the whirlwind of the past year has likely made many of you unsure on what to do next. Have no fear, we are here to help!

APG will be sponsoring and supporting the launch of a special coalition for current and potential Direct Contracting participants so that we can exchange information, share best practices, and collaborate on advocacy opportunities that will strengthen your experience under Direct Contracting. We want to help ensure success for all participants!

You do not need to be an APG member to join.

If you belong to a healthcare **organization interested in joining our coalition and qualify as a potential or current Direct Contracting participant**, please submit a name and contact information to **Shelley Robinette** (srobinette@apg.org).

We look forward to creating an opportunity for everyone to have the best possible experience in Direct Contracting!
