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

APG's Direct Contracting Coalition Sends Letter to CMMI Asking for Reopening of Application Portal for Global and Professional Geographic Direct Contracting Model

Last week, the APG Direct Contracting Coalition sent a [letter](#) to the Center for Medicare and Medicaid Innovation (CMMI) on their recent announcement that they will no longer solicit applications from new organizations interested in participating in the GPDC Model. This included organizations interested in participating in the model as a Medicaid Managed Care Organization-based (MCO-based) DCE, beginning on January 1, 2022. Those organizations that applied for the Implementation Period or PY2021 and deferred their start date to January 1, 2022 will be permitted to begin participation in the model as planned on

January 1, 2022, as long as they continue to meet model requirements.

In the letter, the Coalition urged the agency to reverse its decision and reopen the application portal to allow additional organizations to apply for GPDC Model for 2022.

As you may have read in our previous HOTH, APG launched this new Direct Contracting Coalition to advocate on issues such as this announcement from CMMI. The Coalition is for current and potential Direct Contracting participants and is a perfect opportunity to exchange information, share best practices, and collaborate on advocacy efforts that will strengthen your experience under Direct Contracting.

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

President Biden Signs Legislation Extending Medicare Sequestration Moratorium

Last Wednesday, President Joe Biden officially signed into law H.R. 1868, a bill which extends the moratorium on Medicare Sequestration through the end of 2021. The recent moratorium on Medicare sequestration cuts first began as part of the CARES Act in 2020. It has since been extended several times, most recently in the December 2020 federal spending bill H.R. 133. In late March, Congress took one step closer to potentially extending this moratorium, with the Senate passing legislation that extended the suspension of the two percent cuts to Medicare payments by a 90-2 vote. The House of Representatives followed the Senate on April 13, voting by a 384-38 margin to continue the sequestration delay. In total, \$36 billion in previously scheduled Medicare cuts in 2021 will be deferred.

The House of Representatives had previously passed a version of the moratorium weeks ago that included a delay of the additional four percent cut to Medicare payments that were part of the Pay-As-You-Go (PAYGO) law, but this provision was not included in H.R. 1868.

President Biden Unveils Outline for First Budget Proposal

President Joe Biden recently unveiled his first “skinny budget,” an outline of presidential priorities that sets the stage for the president’s full budget request proposal totaling \$1.5 trillion. \$769 billion is sought for non-defense discretionary funding for fiscal year 2022, a 16 percent increase from the current year, and \$753 billion for defense programs including overseas activities, a 1.7 percent increase. The President’s budget included increases in public transportation, environmental clean-ups, and background checks for gun sales, while eliminating funding for a border wall. In terms of healthcare, the budget proposes \$6.5 billion to launch an Advanced Research Projects Agency that would lead targeted research into diseases from cancer to diabetes and Alzheimer’s, \$8.7 billion for the Centers for Disease Control, and a 23 percent increase for the Department of Health and

Human Services.

Although the Presidential budget is a mere wish list from the Executive branch with Congress free to set its own spending levels, many Congressional Democrats praised Biden's proposal. Republicans have already noted that the increase in defense is still below their desired number and does not address the budget deficit.

Hearing on the Nominations of Andrea Joan Palm, HHS and Chiquita Brooks-LaSure, CMS

Last Thursday, the Senate Finance Committee convened a hearing on the nominations of Andrea Joan Palm to be Deputy Secretary of Health and Human Services and Chiquita Brooks-LaSure to be Administrator of the Centers for Medicare and Medicaid Services.

During the hearing, Senators questioned the nominees on several important issues such as the fight against COVID, the 340B drug discount program, dual-eligible care coordination, and telehealth.

In Chiquita's [opening statement](#), she said that if confirmed she is committed to working to expand access to innovative therapies, procedures, and models of care, rein in health care costs, including for prescription drugs.

In Andrea's [opening statement](#), she said that if confirmed she would work to implement the American Rescue Plan, getting vaccines in arms, rebuilding a public health workforce, and securing this nation's supply chain. She also said the agency must expand access to high quality, affordable health care, reduce the cost of prescription drugs, and integrate mental health and substance use disorder treatment into our health care system.

There was no opposition from Republicans and both appears they will likely be confirmed.



This message was sent to srobinette@apg.org from:

Valinda Rutledge | America's Physician Groups | 1501 M Street, NW | Washington, DC 20005

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