



**April 7, 2022**

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***Garrett Eberhardt  
Director of Federal Affairs  
America's Physician Groups***

### **House Passes Bill to Cap Insulin Prices**

Last week, the House of Representatives passed [legislation](#) capping out-of-pocket costs for insulin for most people with insurance at \$35 per month by a vote of 232-193. Originally part of the abandoned Build Back Better bill, the effort now heads to the Senate where Senators Susan Collins (R-ME) and Jeanne Shaheen (D-NH) are working on a bipartisan agreement. Sen. Collins has said they are working off a [previous bill](#) that was introduced three years ago as a starting point, a bill that also aimed to bring down prices from drug manufacturers by barring rebate payments for insulin to pharmacy benefit managers and allowing drug manufacturers who agreed to return to 2006 costs to raise prices each year only at the rate of medical inflation. Sens. Collins and Shaheen are continuing to work with stakeholders and the Congressional Budget Office toward a final bill with many changes still a possibility.

### **Pandemic Funding Bill Fails in the Senate**

The Bipartisan [COVID Supplemental Appropriations Act](#) failed to advance in the Senate this week after a 47-52 vote. The bill stalled after Senate Democrats and Republicans could not come to an agreement on the amendment process, with Republicans pushing for a vote on language that would rebuke the Biden administration's recent decision to end the Title 42 public health directive at the U.S.-Mexico border. Continued negotiations on the amendment process will likely push

consideration of the legislation to later in the month, all but extinguishing hopes that the bill would pass through Congress before the Easter break. The House of Representatives is expected to also face challenges in passing the bill through its chamber due to the lack of funding for global health initiatives and small businesses.

### **CMS Releases Calendar Year 2023 Medicare Advantage Rate Announcement**

Earlier this week, the Centers for Medicare & Medicaid Services (CMS) released the [Calendar Year \(CY\) 2023 Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies Rate Announcement](#). Included in the Rate Announcement are:

- An 8.5% expected average change in revenue, up from 7.98% in the Advance Notice due to increase in growth rate
- a coding intensity factor adjustment remains at 5.9% (the minimum adjustment required by statute)
- a continuation of the CY2022 policy to calculate 100% of the risk score using the 2020 CMS-HCC model
- a continuation of the policy of calculating risk scores for MA enrollees using diagnoses exclusively from MA encounter data submissions and fee-for-service claims
- finalization of a revised risk adjustment model for payment to MA organizations and additional demonstrations and programs for enrollees with ESRD in order to improve the prediction of costs for these enrollees
- plans to enhance CMS' efforts to report stratified Part C and D Star Ratings measures by social risk factors through the sharing of confidential stratified reports with contracts this spring
- the development of a Health Equity Index as an enhancement to the Part C and D Star Ratings program to summarize measure-level performance by social risk factors into a single score used in developing the overall or summary Star Rating for a contract
- the development of a measure to assess whether plans are screening their enrollees for health-related social needs such as food, housing, and transportation
- The Normalization Factor will be calculated using the same 5 years of FFS (2016-2020) and will not include 2021. Many APG members believe that 2021 should have been included and the scores would have self-corrected.

A fact sheet for the rate announcement can be found [here](#). APG's summary of the rate announcement can be found [here](#). An APG Deep Dive Webinar providing an overview of the rate announcement will be scheduled in the coming weeks.

### **Senate Holds Hearing on FY2023 HHS Budget**

On Tuesday, the Senate Committee on Finance held a [hearing](#) to discuss President Joe Biden's fiscal year (FY) 2023 Department of Health and Human Services (HHS) Budget with HHS Secretary Xavier Becerra. There was bipartisan agreement from Senators for investments in behavioral health services and making permanent telehealth flexibilities, including audio-only services which Committee Chair Senator Ron Wyden (D-OR) specifically supported in his opening statement and APG has advocated heavily for. Secretary Becerra informed the Committee that HHS has committed to giving 60-day notice to providers before PHE expiration but estimated that the PHE would be over "relatively soon." The Secretary also requested more funding from Congress to continue COVID-19 response efforts. After Senator John Barrasso (R-WY) advocated for the extension of emergency waivers so that providers and patients do not lose flexibilities they were granted throughout the pandemic, Secretary Becerra said he will work with Congress to provide detailed information on the waivers.

Secretary Becerra endorsed the recent announcement that Medicare will cover over-the-counter COVID-19 tests for beneficiaries, as well as the administration's proposed fix to the Affordable Care Act's "family glitch," an interpretation of current regulations that deems employer-sponsored insurance affordable, even when the annual cost of adding family members to the plan is greater than 9.61% of the household income. After being asked if the Biden administration is preparing any executive action on lowering drug prices, Secretary Becerra stated that the administration will use any authority it has to lower prescription drug prices, but that its preference is that Congress work to pass legislation and lower prices.

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