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***Welcome to "Healthcare on the Hill," APG's weekly e-newsletter on the latest healthcare happenings in our nation's capital, with a special focus on the value-based care movement.***

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

### **Senate Announces Deal on Reconciliation Package**

Senate Majority Leader Chuck Schumer (D-NY) and Senator Joe Manchin (D-WV) have announced that an agreement has been reached to include additional health, tax, and climate & clean energy policies in a reconciliation bill, the [Inflation Reduction Act](#). Some of the provisions include:

- Medicare price negotiation for certain high-cost drugs
- Rebates on drug manufacturers that increase prices faster than inflation
- Eliminates cost sharing for adult vaccines covered under Medicare Part D, as of 2023
- \$2,000 cap on out-of-pocket expenses
- A three-year extension of the Affordable Care Act (ACA) premium subsidies
- A 15% corporate minimum tax
- Increased tax enforcement at the IRS
- New investments in clean energy and climate initiatives

Not included in the bill that were in previous reconciliation drafts are provisions of a universal pre-K program, an extension of the enhanced child tax credit, and the establishment of a federally-funded paid family and sick leave program. Also left out is the attempt to close the Medicaid coverage gap by providing ACA premium subsidies for low-income Americans in the 12 states that have not expanded Medicaid. This provision would have allowed them to buy ACA policies with no monthly premiums through 2025, but would have carried a \$57 billion price tag according to Congressional Budget Office estimates.

The agreement also calls for “comprehensive permitting reform” to be passed before the end of the fiscal year which Senator Manchin cites as “essential” toward the goal of boosting domestic energy and transmission projects. Bipartisan cooperation on this issue could be hard to manage. Senator Schumer is hopeful that the bill could be presented on the Senate floor next week barring any last-minute objections from other Senators. Senator Kyrsten Sinema (D-AZ) has expressed discomfort with past reconciliation policies that would increase taxes. The Senate Parliamentarian is currently reviewing the bill to ensure it complies with reconciliation rules. Following their ruling, Democratic leadership will look to get an updated version of the measure on the floor and likely work through next week to move the bill if there are no delays.

### **House Passes Bill Extending Telehealth Flexibilities for Two Additional Years**

Yesterday, the House of Representatives passed [H.R. 4040, the Advancing Telehealth Beyond COVID-19 Act](#) extending numerous Medicare flexibilities for telehealth including:

- Coverage of audio-only telehealth services
- Waiving in-person requirements for behavioral health services
- Reimbursement for qualified health centers

Originally slated to expire 151 days after the end of the public health emergency, the bill extends these flexibilities through December 31, 2024. Despite the bipartisan nature of the bill and the issue of extending telehealth waivers, it is unclear where the Senate currently stands on the bill and when it may take up its own version. APG has diligently advocated on this issue and will continue to monitor developments as the bill moves into the Senate.

### **House Ways and Means Committee Advances Bill in Medicare Advantage Prior Authorization Reform**

Earlier this week, the House Committee on Ways and Means advanced a bill reforming prior authorization for the Medicare Advantage (MA) program. [H.R. 8487, the Improving Seniors Timely Access to Care Act of 2022](#), would require the Department of Health and Human Services to create an electronic prior authorization process for faster, real-time decisions on requests for items or services. The bill also requires MA plans to report to the Centers for Medicare & Medicaid Services on how much they use prior authorization and their approval and denial rates and would also be encouraged to work with providers to craft evidence-based guidelines for prior authorization processes that the plans would then adopt. The bipartisan bill is expected to reach the House floor for a vote after August recess.

### **MACPAC Holds Special Virtual Meeting on the End of COVID-19 Public Health Emergency**

Yesterday, the Medicaid and CHIP Payment and Access Commission (MACPAC) held a special [July virtual meeting](#) to discuss the process of unwinding COVID-19 public health emergency (PHE) flexibilities and how both the Centers for Medicare and Medicaid Services (CMS) and individual states are preparing. The Commission discussed the implications of unwinding the continuous coverage requirement, as well as the enhanced Federal Medical Assistance Percentage (FMAP), as the end date for the PHE remains uncertain. It also discussed potential ways to alleviate the poor fiscal implications for states when the enhanced FMAP ends. Analyst Martha Heberlein suggested that decoupling the end dates of the continuous coverage and FMAP provisions from the end of the PHE would allow states to better execute the termination of these flexibilities and that additional advanced notice and a definitive date for the end of the PHE would provide states more time to prepare.

State Medicaid programs surveyed by MACPAC stated their desire for an exact PHE end date and a requirement to not drop anyone from Medicaid's rolls. MACPAC Chair Melanie Bella stated that MACPAC will continue to focus on potential glidepaths to prepare for the end of the PHE, consider whether a recommendation for a gradual phase out of the FMAP increase is needed, examine procedural disenrollments with regard to the tracking and mitigation of this process, and (4) prepare for any disparities that may arise during unwinding. The next MACPAC meeting is September 15<sup>th</sup>.