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Welcome to "Washington Update," the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

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House Passes e-Prior Auth Bill; Awaits Senate Action

The House this week unanimously passed legislation that requires Medicare Advantage (MA) plans to establish an electronic prior authorization system capable of communicating approvals and denials within a 24-hour period. The legislation known as the Improving Seniors' Timely Access to Care Act, also requires MA plans to report data publicly on the number of times they denied a prior authorization request, as well as the number of denials that were eventually overturned. APG is now analyzing the potential impact of the legislation on

member groups, particularly those participating in fully delegated risk models with MA plans.

The bill now heads to the Senate, where it faces headwinds over its projected costs. The Congressional Budget Office (CBO), which assesses legislation for its potential impact on the federal budget, said that the bill would cost about $16.2 billion over ten years. CBO analysts said that by placing additional requirements on MA plans to conduct prior authorization, the legislation would result in increased delivery of medical services, causing insurers to increase their bids and triggering higher federal payments to MA plans. House sponsors of the bill have disputed CBO's analysis on the grounds that it assumes increased services even though the legislation does not require MA to cover new services and it does not account for the savings the legislation would achieve through preventing delayed care and paperwork burden, which increase costs.

The CBO estimate is now likely to face further scrutiny, in part because, under congressional budget rules designed to prevent legislation from increasing the federal budget deficit, any such spending would need to be offset by other spending cuts or tax increases. "I strongly urge the Senate to work with us to resolve the cost issue so this vital bill becomes law, House Minority Leader Kevin McCarthy said in a statement. If the issues can be resolved, the Senate is likely to incorporate the bill into a year-end spending package.

CMS Releases Request for Information on Promoting Efficiency and Equity Within CMS Programs

The Centers for Medicare & Medicaid Services (CMS) released a broad request for information (RFI) seeking comments on how the federal government can promote efficiency, reduce burden, and advance equity within CMS Programs. APG policy and advocacy staff will work with members to craft a detailed response, which is due on Nov. 4, 2022.

The agency cited a number of areas in which it seeks comments. With respect to health care providers, it seeks to "understand the factors impacting provider well-being "and learn more about the supply and distribution of the healthcare workforce. The agency is particularly interested in understanding the greatest challenges for healthcare workers in meeting the needs of their patients and the impact of CMS policies on provider experiences.

To further advance health equity across programs, CMS seeks input on individual and community-level burdens, health-related social needs, and strategies to address health inequities, including opportunities to address social determinants of health and burdens impairing access to comprehensive quality care. CMS requests feedback on the impact of waivers and flexibilities issued during the COVID-19 public health emergency to identify areas for improvement, including opportunities to further decrease burden and address any health disparities that may have been exacerbated by the PHE.

Telehealth Use Grows in Traditional Medicare

Regulatory flexibilities over the use of telehealth that were adopted during the pandemic continue to be important for some beneficiaries and providers in the traditional Medicare program. That's one conclusion that can be drawn from data released this week by the Centers of Medicare & Medicaid Services (CMS).

Following a flattening in growth in the use of telehealth in 2021 after the huge increase in 2020, telehealth use rose again in the first quarter of 2022, according to the agency. About 4.1 million, or 19 percent of traditional Medicare enrollees, used telehealth services in the first quarter – a level well below the record high of 10.2 million users during the second quarter of 2020, but still far higher than pre-pandemic levels.

The newly released data show that telehealth is a popular option among minorities and those with lower incomes. Telehealth utilization among Hispanics, Asians and Pacific Islanders and African Americans outpaces utilization among White Americans.

APG continues to support legislative efforts to extend the telehealth flexibilities beyond the end of the public health emergency, as well as measures that allow for the collection of diagnoses from audio-only telehealth services for use of risk adjustment in Medicare Advantage.

Congress is currently considering a possible three-year extension in telehealth flexibilities.

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