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WASHINGTON UPDATE



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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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HHS Secretary Becerra Defends Medicare Advantage Proposals as Senators Raise Concerns

Members of the Senate Finance Committee voiced concerns this week about [proposed changes](#) in Medicare Advantage (MA) to Xavier Becerra, Secretary of the Department of Health and Human Services. The discussion, during which Becerra defended the changes, occurred during the Senate panel's [hearing](#) on the HHS portion of the Biden administration's proposed fiscal 2024 budget.

Amid doubts voiced by Republicans and Democrats alike, Becerra said that the proposed changes would yield higher payments to MA health plans and protect all the benefits available to enrolled beneficiaries. "What the President said is, we

guarantee that there will be no cuts to the benefits under Medicare in this proposal,” he said, adding that providers “in most cases” will see an increase in reimbursement. As previously reported in [Washington Update](#), APG argues that multiple plans and APG groups will see their MA payments decrease substantially under the proposed changes, and that organizations providing primary care to disadvantaged, racially diverse, and chronically ill patients would be hit hardest. APG and other provider groups and health plans have pressed the government to revise its plans or delay adoption of the proposed changes for a year.

Sen. Catherine Cortez Masto (D-NV), a longtime MA champion, signaled her concerns that the changes could disrupt beneficiaries’ access to care, jeopardize the quality of care, or increase costs. “Any efforts to address overpayments in MA should support program integrity and preserve the sustainability of the entire Medicare program” without creating these adverse consequences, she told Becerra. Meanwhile, Sen. Bob Menendez (D-NJ) raised concerns that the changes could widen health care disparities for the more than 600,000 MA beneficiaries in Puerto Rico. All of the committee’s Republican members had expressed their own [concerns](#) in a letter to HHS last week.

Committee Chair Ron Wyden (D-OR), whose state has one of the largest penetration of seniors in MA, took a more cautious line, appearing to draw distinctions among the different health plans in the MA program. “I’ve come to the conclusion that unfortunately not all Medicare Advantage is created equal,” he said. “There’s been some very good Medicare Advantage; there’s been some not-so-good,” adding that his goal was to ensure that “we get the former and have less of the latter.” Wyden’s comments seemed to imply that some health plans’ use of coding and risk adjustment to pad their profits warranted the government’s proposed actions as well as the attention of the committee.

Becerra said that the department and the Centers for Medicare & Medicaid Services, which issues the proposed changes, were reviewing comments submitted to the government by the March 6 deadline. The proposed rule has been sent to the White House Office of Management and Budget for its review and is expected to be issued by April 3.

APG Calls for National Framework to Build Clinical Workforce

Federal lawmakers should adopt a comprehensive strategy to assure an adequate supply of health care workers and build a diverse clinical workforce to deliver value-based health care, APG said in a [letter](#) this week to the Senate Committee on Health, Education, Labor and Pensions (HELP). The letter responded to a request from the committee’s leaders, Chair Bernie Sanders (I-VT) and Ranking Member Bill Cassidy (R-LA), for input on how best to address current and future health care workforce shortages.

APG urged senators to boost the number of primary care physicians by increasing training slots, particularly in primary care settings outside of hospitals. It also called for greater federal financial investment to train and educate clinicians at various levels who can work together in teams. It also called for incentivizing more interprofessional education; improving diversity within clinical ranks; exploring the potential of national clinician licensure; and incentivizing states to allow more professionals to work at the top of their licenses.

The HELP committee has already held one workforce [hearing](#), which included APG member Ochsner Health, and could produce a draft of legislation later this year.

Key Senator Lauds Value-Based Care for Saving Money and Improving Quality

Senate Budget Committee Chair Sheldon Whitehouse (D-RI) this week tied slower-than-expected health care spending growth to better coordinated patient care through accountable care organizations (ACOs) and, more broadly, value-based care arrangements.

Whitehouse made the comments during the Senate Finance Committee's hearing on the Department of Health and Human Services (HHS) federal budget. He pointed to a recent [admission](#) by the Congressional Budget Office (CBO) that it had overestimated federal health care spending projections since passage of the Affordable Care Act in 2010. CBO said it overestimated per-beneficiary spending in Medicare and Medicaid by 9 percent.

The result, Whitehouse said, is a savings of \$2.2 trillion in health care spending that fell below CBO's original forecast. "That tells me that something is going on out there," he said. "And I think it has a lot to do with the improvements in quality, the improvements in the move to value-based care, the success of accountable care organizations and perhaps also some of the pharmaceuticals that have come our way." He singled out two Rhode Island ACOs, Integra and Coastal Medical/Lifespan, for producing savings and improving patient care.

The CBO report and Whitehouse's favorable comments about value-based care may figure into the looming congressional debate over deficit reduction and health care spending. "If we can get those kinds of savings out of the health care system without taking away benefits, we should be all over that," Whitehouse said.

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