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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 Republicans Introduce Bill to Establish New Medicaid Work Requirements

Medicaid would adopt new work requirements at the federal level under a plan advanced by Speaker of the House Kevin McCarthy (R-CA) this week. The proposal was part of a package of GOP-backed spending cuts meant as a prerequisite for extending the federal debt limit. Building on provisions introduced under the Trump administration that gave states the green light to implement work requirements, McCarthy's bill would require many Medicaid beneficiaries either to be actively

working, seeking employment, or participating in some form of community service. Children under age 18, adults over age 56, people with mental or physical disabilities, and the parents of dependent children would be exempt. Previousestimates from the Congressional Budget Office found that Medicaid work requirements would save $135 billion over nine years, as approximately two million people would be unable to meet the requirements and would lose Medicaid coverage.

Although the Centers for Medicare & Medicaid Services (CMS) approved work requirements in 13 states under the Trump administration policy, few states have actually implemented them due to litigation, changes in policy, or other reasons. Arkansas had them in place in 2018-2019, when more than 18,000 beneficiaries were disenrolled from Medicaid for failure to comply. Opponents of work requirements say they create more administrative barriers to maintaining coverage and argue that they are unnecessary because most Medicaid beneficiaries who would be affected are already working.

House Targets Health Care Amid Debt Ceiling, Deficit Reduction Talks

Two House committees will hold hearings next week aimed at tackling health care spending amid discussions over raising the debt ceiling and reducing the federal deficit. The House Energy & Commerce Health Subcommittee will examine more than a dozen bills designed to "increase transparency and competition in health care," and the House Committee on Ways and Means' oversight panel will examine"tax exempt hospitals and the community benefit standard."

Both hearings are expected to take a critical look at multiple aspects of the health care system, including physicians, hospitals and health systems, insurers and pharmacy benefit managers (PBMs). Legislation under consideration by the Energy & Commerce Committee includes:

- A draft bill that imposes new transparency requirements between providers and Medicare Advantage plans for claims and services provided over the course of a plan year; average, per-enrollee diagnosis by provider type, including those garnered through chart reviews and home risk assessments; average risk scores for patients who did and did not receive care from a specified provider; the number of prior authorization requests made, approved, and denied; and more;
- A draft bill that would establish site-neutral payments between hospital outpatient department services that are furnished in off-campus settings;
- A draft bill requiring the reporting of ownership and financial data after a merger or acquisition; and
- A draft bill requiring more transparency and oversight of the 340b discount drug program.

The timing and increased activity by the House committees is by design. Congressional lawmakers are eyeing ways to lower federal spending as part of an overall push to increase the debt ceiling. APG will closely watch how the package takes shape and provide insights into the impact they might have on providers in value-based care arrangements.

House Eyes Bipartisan Legislation to Bolster Health Care Workforce

The House Energy & Commerce Health Subcommittee this week contemplated legislation to extend various programs funded under the Health Resources and Services Administration (HRSA) and to establish new state-based nursing workforce centers.

At a subcommittee hearing, HRSA Administrator Carole Johnson sought the panel's support for funding the agency's Health Center Program, which supports community health centers that provide primary care to 30 million people in rural and underserved communities; the National Health Service Corps, which provides scholarships and loan repayment to health care providers who practice in underserved communities; and the Teaching Health Center Graduate Medical Education Program, which trains primary care physicians and dental residents in community settings. Funding for all of these programs is currently set to expire at the end of September.

Other measures discussed at the hearing included the proposed National Nursing Workforce Center Act, which would establish a grant program to support public-private entities to advance nursing education, practice, and workforce development.

Subcommittee members expressed bipartisan support for extending the HRSA programs, although for how long remains uncertain. Actual funding decisions are likely to await action later this year from both House and Senate appropriators, and potentially year-end budget legislation.

More Women and Minorities in Medicare Advantage Even as Some Care Disparities Remain

More women and racial and ethnic minorities are choosing Medicare Advantage (MA) over traditional, fee-for-service (FFS) Medicare, a new report from CMS's Office of Minority Health confirms. In 2022, 56 percent of MA enrollees were women compared to 52 percent of FFS beneficiaries. Similarly, 13 percent of MA enrollees were Latinx versus 6 percent of FFS beneficiaries, and 11 percent of MA enrollees were Black compared to 8 percent of FFS beneficiaries.

MA enrollees' health care experiences were somewhat similar across all of these groups, the report said. Still, it noted room for improvement on addressing health care disparities. The data show differences among enrollees in 37 Healthcare Effectiveness Data and Information Set (HEDIS®) Clinical Care measures (e.g., breast cancer screening, controlling high blood pressure, avoiding use of high-risk medication in older adults). Scores for Black MA enrollees were below the national average on 15 clinical care measures; similar to the national average on 19 measures; and above the national average on three measures. Scores for Latinx MA enrollees were below the national average on nine clinical care measures; similar to the national average on 20 measures; and above the national average on eight measures.

The report only examined enrollment and disparities in MA, not in traditional Medicare. More remains to be done to determine the degree of disparities in the fee-for-service portion of the program.

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