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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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## **Discussion Draft on Potential Dual-Eligibles Legislation Shared with APG, Other Stakeholders**

Beneficiaries who are dually eligible for Medicare and Medicaid would have to enroll in a fully- or partially-integrated health care plan that incorporates both programs' benefits under draft legislation proposed last week by Senate Finance Committee member Bill Cassidy (R-LA). And no beneficiary could enroll in an integrated plan that earned fewer than three stars in a somewhat revised new star rating system.

Cassidy's proposal is aimed at reducing the fragmentation and improving the quality of care for dual eligibles, as well as rationalizing the burden of costs between the two programs. It follows a request for information released last year by the senator and four of his Finance Committee colleagues: Thomas Carper (D-DE), John Cornyn (R-TX), Robert Menendez (D-NJ), and Tim Scott (R-SC). (APG's November 2022 response letter is [here](#)). Other provisions of Cassidy's discussion draft include the following:

- A new risk adjustment model would be implemented across all program models and health plans that provide integrated care. The model would allow risk-adjustment payments to be made and updated monthly.
- The Centers for Medicare & Medicaid Services (CMS) and the Federal Coordinated Health Care Office would impose uniform bidding and reporting timelines on all integrated care plans in Medicare, Medicaid, and the State Integrated Care Programs. Billing codes would also be consistent across the three programs.

The Finance Committee will consider additional suggestions and perspective from stakeholders by July 1 before further refining the draft. Please contact Matt DoBias at [mdbias@apg.org](mailto:mdbias@apg.org) to provide input into APG's forthcoming response to the panel.

### **Site-Neutral Policy, Ownership Disclosure Provisions Advance in House**

Medicare would pay off-campus hospital outpatient departments and physician offices the same rate for medications delivered intravenously under [legislation](#) that unanimously passed the House Energy and Commerce Committee this week. The Promoting Access to Treatments and Increasing Extremely Needed Transparency (PATIENT) Act (HR 3561) would also require a wide range of health care organizations, including physician groups, to publicly report to the federal government annually information on their business structures and any ownership changes as [previously reported](#) in *Washington Update*.

The legislation drew bipartisan support and easily passed the committee on a 52-0 vote. Even so, some Democrats, including New York representatives Paul Tonko and Yvette Clark, questioned the impact of the site-neutral payment provision on financially strapped hospitals, including those in underserved communities. Off-campus outpatient departments are those located 250 yards or more beyond main hospital buildings.

APG will continue to monitor how both the House and Senate proceed on site neutral policies and comparable ownership disclosure requirements applicable to physician groups.

### **Emerging Debt Limit Deal May Remove Specter of Default**

As of today, White House and Congressional negotiators appear close to agreeing to lift the federal debt limit for two years while imposing strict caps on federal [discretionary spending](#) unrelated to the military or veterans.

If finalized, the deal would remove the immediate specter of default or delayed payments from Medicare, Medicaid and other health programs. But it could also leave the health sector vulnerable to further budget cuts due to the discretionary spending caps. The caps could force cuts or tight limits on spending in everything

from public health to federal grants for workforce training or community health centers.

Unresolved as of the time of publication of this brief: The potential new Medicaid work requirements at the federal level, as [previously reported](#) in *Washington Update*.

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