



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

Table of Contents

- APG to Congress: Hold Further Medicare Advantage Changes for Now
- Humana's Suit Over MA Data Audits Could Reshape Plan-Provider Contracts
- New Voluntary Innovation Center Model Aims At State-Level Cost Growth
- APG Announcements and Offerings



APG to Congress: Hold Further Medicare Advantage Changes for Now

Leaders of APG member organizations asked congressional staff this week to hold off on major changes in Medicare Advantage (MA) until the program can digest the risk adjustment overhaul to be phased in from 2024-2026. As both plans and provider groups prepare for the changes, they told staff, they're now evaluating what costs can be cut to withstand revenue losses, while still offering a robust set of services and benefits to help patients in need.

"The good thing is that CMS phased in the changes, which gives us the ability to accommodate them" over time, said Stephen Parodi, Associate Executive Director of Permanente Medical Group, a longtime APG member. "It's important that we can still maintain our care teams to support patients and produce high quality outcomes. Our ask is that we wait and study the effects, and see what outcomes look like, before Congress or [the Centers for Medicare and Medicaid Services] make any more changes to MA."

The request came during a series of “fly in” virtual meetings, at which APG also offered perspectives on site-neutral payment policies, transparency legislation, and more. APG is committed to providing these opportunities to members help inform agency leaders and Congressional staff and provide input into policies and legislation. Those interested in participating in in-person or virtual meetings should contact APG Executive Vice President of Advocacy and Education Valinda Rutledge at VRutledge@apg.org.



Humana's Suit Over MA Data Audits Could Reshape Plan-Provider Contracts

APG members and other physician groups may see more changes in their contracts with Medicare Advantage (MA) plans, depending on the latest fight between MA plans and CMS over risk adjustment. [Humana recently sued](#) to block implementation of the agency’s Risk Adjustment Data Validation (RADV) audits, which the agency resumed earlier this year. Stakeholders had raised [concerns](#) about details of CMS’s plans following the CMS final rule setting out the terms for resuming the RADV audits after a 12-year pause.

Humana’s lawsuit argues that CMS "did not even try" to justify the agency’s RADV methodology, which the company said threatened "unpredictable consequences for [MA] organizations and the millions of seniors who rely on the [MA] program for their health care." The case – [Humana Inc et al v Becerra et al, U.S. District Court, Northern District of Texas, No. 23-00909](#) – was assigned to U.S. District Judge Reed O'Connor, a Fort Worth judge who previously [declared unconstitutional the parts of the Affordable Care Act](#) that require that health insurance plans cover preventive care, including screenings for certain cancers and pre-exposure prophylaxis against HIV (PrEP), at no cost to patients. If Judge Reed again decides to limit the Administration, CMS could be blocked from collecting overpayments, at least until an acceptable methodology is established.

Since CMS adopted the final rule on RADV audits, APG members have been concerned about the extent to which any attempts to recover money from MA plans would compel the plans to try to collect funds from their contracted providers. APG will continue to monitor developments and keep members informed.



New Voluntary Innovation Center Model Aims At State-Level Cost Growth

Along with APG members in states like California, which have adopted laws to target state-level health care cost growth, others may end up participating indirectly in a new state Total Cost of Care (TCOC) model recently unveiled by CMS's Innovation Center. The [States Advancing All-Payer Health Equity Approaches and Development \(AHEAD\)](#) model will offer up to 8 states the chance to partner with CMS in managing quality and costs across all payers, including Medicare, Medicaid, and private coverage.

The model, scheduled to operate from 2024-2034, builds on lessons learned from such experiments as the current [Maryland Total Cost of Care Model](#), which imposed global budgets on the state's hospitals and launched a wave of primary care transformation, as well as other state-led transformation efforts in [Vermont](#) and [Pennsylvania](#). AHEAD will also offer a primary care component to allow marrying additional Medicare investment in primary care practices with Medicaid-led transformation, similar to [efforts](#) now underway in such states as North Carolina, Colorado, Arkansas, and California.



APG Announcements and Offerings

- Read APG's [comment letter](#) to CMS on the 2024 Medicare Physician Fee Schedule and Medicare Shared Savings Program Proposed Rule.
- APG will host a Deep Dive Webinar on preparing for CMS's new Making Care Primary (MCP) Model on Wednesday, October 4, at noon ET. Register for the meeting [here](#).



Know people who may enjoy receiving *Washington Update*? Forward this email and have them contact communications@apg.org to be added to the subscription list. Visit APG's website for more news and resources, or contact a member of APG's Washington, DC, policy and communications team below.

Valinda Rutledge, EVP, Advocacy and Education vrutledge@apg.org
Jennifer Podulka, Vice President, Federal Policy jpodulka@apg.org
Garrett Eberhardt, Executive Director, Medicaid Policy geberhardt@apg.org
Greg Phillips, Director of Communications gphillips@apg.org