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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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Congress in 2024: What To Watch

Congress has adjourned for the holidays. Here's what lies ahead when it returns:

- The [first of two continuing resolutions](#) (CRs) enacted in November will expire on January 19. With only eight working days until then when both houses will be in session, Congress must strike a deal to fund the departments of Transportation, Housing and Urban Development, Energy, Veterans Affairs, and Agriculture. It's unclear whether it will meet the deadline, and what if anything else may go into a broader spending bill, including a range of health care provisions.
- The second CR, which covers funding for the Departments of Labor, Health and Human Services, and Education, will expire on February 2. Depending on what happens with the first, any legislation applying to this funding could also carry health care provisions.
- As reported last week in *Washington Update*, the House on Dec. 11 passed the [Lower Costs, More Transparency Act](#), which included a limited site-neutral payment provision and extension of funding

for community health centers. That bill now sits in the Senate awaiting action.

Other health care provisions that could end up in a final package include a reduction in the scheduled Medicare physician payment cuts in 2024 from 3.4 percent to 2 percent; a one-year extension of the bonus for participation in Advanced Alternative Payment models at 1.75 percent; and various provisions requiring more transparency in the Medicare Advantage (MA) program by requiring MA organizations to submit encounter data that includes more detailed information on payment type from plans to providers among other types of data.

Amid ongoing inter- and intra-party feuds over spending priorities, Congress could also opt for a one-year extension of current funding levels, in which case the fate of any health package would also be uncertain. APG will keep members apprised of developments.



New National “Playbook” Addresses Social Determinants

Greater integration of health care, public health, and social services are objectives outlined in a new [U.S. Playbook to Address Social Determinants of Health](#) (SDOH) released recently by the Biden Administration. The document is described as a “launchpad, not a final, comprehensive strategy for addressing SDOH.”

Among goals set forth in the playbook are to break down silos within the federal government; improve the collection of data in standardized formats, including by establishing a SDOH Data Working Group within the Executive Office of the President; and increase the flexibility of federal funding to “address interconnected health needs.” Guidance is also provided to state Medicaid directors on how to use federal funding to address SDOH.

Community hubs: To better enable health care organizations to partner with community-based organizations (CBOs) and other grassroots social service groups, the Biden Administration will assist so-called community care hubs — organizations that centralize administrative functions and operational infrastructure for a network of CBOs. A new National Learning Community will support these hubs through educational and technical assistance, data security training, and support in payment operations.



States Advised To Avoid Disenrolling Children From Medicaid And CHIP

As post-pandemic Medicaid redeterminations continue to spur disenrollment, Health and Human Services Secretary Xavier Becerra this week advised governors of nine states with the highest rates of disenrolling children to employ federal flexibilities to make benefits renewals easier.

According to the Centers for Medicare & Medicaid Services (CMS) 2.2 million children have been disenrolled since the “unwinding” of COVID-era Medicaid protections began earlier this year. The nine states — Arkansas, Florida, Georgia, Idaho, Montana, New Hampshire, Ohio, South Dakota, and Texas — account for approximately 60 percent of the decline in children’s enrollment in Medicaid and the Children’s Health Insurance Program (CHIP) since March.

Coverage extensions: CMS also released new [guidance](#) to support and enable extension of Medicaid and CHIP coverage for children. The agency noted that beginning in January, states are required to provide children enrolled in Medicaid and CHIP with 12 months of continuous eligibility, “even if the family experiences a change in circumstances during the year that would otherwise impact the child’s eligibility, such as a change in income or household size.”

In addition, the agency said, states also may apply for waivers to provide multi-year continuous eligibility for children, such as extending coverage for two years for children up to age six. “We strongly urge all states to do their part to make sure eligible children keep the coverage they need to grow and thrive,” CMS Administrator Chiquita Brooks-LaSure said in a news release.



Revised Merger Guidelines Finalized By Department Of Justice And FTC

The Biden Administration released [finalized revisions](#) to merger guidelines intended to ensure competition through more aggressive merger enforcement. As [previously reported](#) in *Washington Update*, the updated guidelines, while not limited to mergers of health care organizations, could have major implications for the rapidly evolving health care sector.

The final [guidelines](#) are largely similar to the draft version released for public comment earlier this year, although some changes took into account public comments about the original language being too broad. They continue a shift away from the “consumer welfare” standard that has long guided antitrust law to focus more on other factors, including sheer size and serial acquisitions in a single

industry. The new guidelines also incorporate a more aggressive approach to enforcement. The agencies generally measure market concentration using the so-called Herfindahl-Hirschman Index, which is small when there are many small firms, and larger as a market becomes more concentrated. The new guidelines shift the threshold for the FTC to evaluate deals from a threshold of a market index of 2,500 to 1,800.



APG Announcements And Offerings

- APG will host an Emerging Trends Webinar with guest Adam Boehler on Tuesday, January 22, at 12:30pm ET; register [here](#).
- As APG discussed in a webinar on October 26, CMS has introduced a new Guiding an Improved Dementia Experience (GUIDE) Model and has opened the [Request for Applications \(RFA\) portal](#). Applications are due by January 30, 2024. CMS will host an office hour for potential applicants Thursday, January 11, 2024, 2:00-3:30pm ET. Register [here](#).

Washington Update will not publish next week. It will return on Friday, January 5, 2024.



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