



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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APG Continues To Seek Member Input On Proposed CMS Medicare Advantage Payment Update

As detailed in last week's [Washington Update](#), APG and other stakeholders continue the annual rush to understand the potential impacts of the recent [Medicare Advantage \(MA\) and Part D Advance Notice](#) from the Centers for Medicare & Medicaid Services (CMS) in time to share these insights by the March 1 deadline. Physician groups that partner with MA plans report growing concerns that CMS's proposal will result in flat or negative updates in the agency's payments to some plans that could jeopardize contract terms with providers and patients' benefits and out-of-pocket costs.

In an educational webinar this week, APG and [Milliman](#) delved into the proposed policies, discussing the escalating challenges facing MA plans and their potential responses. Next week, an exclusive APG-member focus group will convene, led by Jennifer Podulka and Valinda Rutledge, to gather member insights for APG's comment letter on Tuesday, February 20, noon - 1:00 pm ET. Register [here](#).

As APG members continue to analyze the impact of CMS's proposal on their organizations, they are encouraged to contact Jennifer Podulka at jpodulka@apg.org to share feedback, insights, and any available data.



MACRA Reform Poised To Move Forward

Six bipartisan [senators](#) have formed a working group to address the existing issues in the Medicare payment system, particularly focusing on long-term solutions for the Medicare Physician Fee Schedule (MPFS) and the Medicare Access and CHIP Reauthorization Act (MACRA). Highlighting concerns over the system's failure to keep pace with inflationary costs, the senators underscored its urgency, especially following the recent 3.4 percent MPFS cuts that took effect on Jan 1, 2024, which have exacerbated the financial strains on physician groups.

Susan Dentzer, President and CEO of America's Physician Groups, emphasized the need for updated policies, [stating](#), "MACRA, in many respects, has outlived its usefulness. It was very important at the time and got us out of a rut that the system was in around a prior formula for setting payments. But it was enacted in 2015 and it's been 10 years."

APG looks forward to partnering with the working group to chart a long-term and sustainable path forward for physician payment in Medicare.



CBO Report On Senate Workforce Bill Portends Uphill Battle For Its Passage

The Congressional Budget Office's (CBO) recent cost estimate regarding legislation addressing the primary care workforce presents a significant hurdle to its advancement. According to the CBO's [report](#) on [S. 2840](#), the Bipartisan Primary Care and Health Workforce Act, the bill's enactment would lead to a net increase of \$16.1 billion to the deficit, with direct spending rising by \$23.1 billion against revenue increases of \$7 billion from 2024-2033. This substantial deficit impact is likely to impede progress on the legislation, a concern raised earlier during the September markup by Senator Bill Cassidy (R-LA), who emphasized the bill's lack of adequate funding through proposed offsets.

As previously reported in [Washington Update](#), S. 2840, sponsored by Senator Bernie Sanders (I-VT), is a broad bipartisan package aimed at bolstering the primary care workforce and reauthorizing the fund supporting community health centers at \$5.8 billion annually for three years. The bill seeks to create over 700 new primary care residency slots,

intending to produce up to 2,800 more primary care physicians by 2031. Alongside this is an expansion in nursing and physician assistant education and training.



Unexpected Spike In Payment Arbitrations In Wake Of 2022 No Surprises Act

In the inaugural year of the [No Surprises Act](#), over 490,000 arbitration requests concerning surprise out-of-network medical billing were filed, far exceeding initial projections and posing significant administrative challenges for provider entities and the effort to curb surprising billing. The bill, which was included in the [Consolidated Appropriations Act of 2021](#), sought to limit surprise billing for out-of-network services such as emergency air ambulances or anesthesia.

However, a December 2023 [report](#) by the Government Accountability Office revealed a backlog of unresolved arbitration requests, or Federal Independent Dispute Resolutions (IDR), with 61 percent remaining unaddressed. To address these challenges, the Departments of Health and Human Services, Labor, and the Treasury, along with the Office of Personnel Management, introduced a [proposed rule](#) in October 2023 outlining new requirements for group health plans and issuers to navigate the IDR process effectively.



APG Announcements And Offerings

- On Tuesday, February 20, 12:00-1:00 pm ET, APG will host a members-only focus group on the Medicare Advantage and Part D Advance Notice. Register [here](#).
- Registration is open for the APG Spring Conference in San Diego from May 29-31. APG members can save \$300 with the Super Early Bird rate before the February 29 deadline. Register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).



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