



March 22, 2024

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

- **New Model To Run Alongside Medicare Shared Savings Program Will Test Effect Of Providing Flexibility On Primary Care Payment**
- **As Deadline Approaches, Congress Weighs Final Passage Of Fiscal 2024 Appropriations Bills**
- **Despite Assistance To Providers, Disruptions From Change Healthcare Cyberattack Likely To Persist For Several More Weeks**
- **APG Announcements And Offerings**



## **New Model To Run Alongside Medicare Shared Savings Program Will Test Effect Of Providing Flexibility On Primary Care Payment**

Some APG member organizations participating in, or newly applying to, the Medicare Shared Savings Program (MSSP) may be able to join a model that will operate alongside MSSP and that will test new ways of paying for primary care.

Called the [ACO Primary Care Flex model](#), this new arrangement, unveiled this week by the Centers for Medicare & Medicaid Services (CMS), is aimed at so-called [low-revenue MSSP ACOs](#), which tend to be physician-led groups or those that may include a small hospital or operate in a rural area. Historically, these physician-led ACOs have produced the largest relative savings in the MSSP program, largely due to their role in decreasing unnecessary hospitalization.

The new model seeks to boost the ability of organizations to offer advanced primary care services to patients, aided by the following new types of payment:

- A monthly prospective primary care payment based on each county's average Medicare primary care spending, plus potential payment enhancements that CMS will detail in the future.
- A one-time advance on shared savings that could flow from participation in the MSSP program and that could be used to help cover certain costs, such as those associated with forming an ACO.

The model — participation in which will be voluntary on the part of organizations, as with most of CMS's alternative payment models — will begin January 1, 2025, and will run for five years. CMS anticipates releasing the request for applications in the second quarter of 2024 and accepting applications in the third quarter. A limited number of applicants — about 130 — will be approved.

APG team members Jennifer Podulka and Valinda Rutledge will discuss the model at the APG MSSP Coalition meeting on April 4 from noon - 1:00pm ET. APG members who wish to register for the virtual meeting should please contact Norma Springsteen at [nspringsteen@apg.org](mailto:nspringsteen@apg.org).



## **As Deadline Approaches, Congress Weighs Final Passage Of Fiscal 2024 Appropriations Bills**

With its customary timing – effectively the 11th hour – Congress is racing to meet a deadline of midnight tonight to pass the final six fiscal 2024 appropriations bills and avoid a partial government shutdown. The six bills cover the Departments of Labor-HHS-Education, among others.

Among more than one hundred government health programs funded by the Labor-HHS-Education bill, the legislation slots \$1.9 billion for community health centers for the fiscal year ending September 30 – a sum and timeline that falls well short of the multiyear funding that CHC proponents had sought. The House passed the bill earlier today and the Senate is expected to do so later today.

The legislation to be voted on will not include a small additional package of health care measures that backers were trying as late as last weekend to resurrect. The bill would have provided for additional community health center funding beyond that approved in a different package earlier this month; pharmacy benefit manager reforms; and some price transparency provisions that were all part of the [Lower Costs, More Transparency Act](#) that the House passed last December. Talks over enacting this package ultimately fell apart last weekend, but sponsors are likely to keep pressing to include these items in other legislation later this year.



## **Despite Assistance To Providers, Disruptions From Change Healthcare Cyberattack Likely To Persist For Several More Weeks**

Amid ongoing uncertainty as to when full functionality of Change Healthcare's payment platforms will be restored, both the Centers for Medicare & Medicaid Services (CMS) and UnitedHealth Group (UHG), Change Healthcare's parent, continue to extend financial assistance to providers affected by claims and payment disruptions.

UHG says it has offered more than \$2 billion in temporary funding assistance to date, and CMS announced late last week that it would grant leeway to state Medicaid agencies to advance payments to affected providers as well. These moves followed the agency's actions earlier this month to extend advance and accelerated payments for Medicare Parts A and B.

A weeks-long wait appears to lie ahead before all of Change Healthcare's payment, claims, and other clearinghouse-dependent activities are back to normal, officials of the Department of Health and Human Services (HHS) and UHG said in a joint briefing this week. Testing of some systems continues even as others, such as those supporting pharmacy transactions, have been restored.

Meanwhile, it is likely to remain unclear for now as to what additional obligations providers may be under — and when — to notify patients about breaches of their protected health information (PHI). HHS has reminded providers of their established obligation to notify patients about these breaches and says it will not address questions about its current [investigation](#) of any PHI-related breaches due to the cyberattack until it is resolved.



## **APG Announcements And Offerings**

- CMS will host an informational webinar on the new ACO Primary Care Flex Model on April 4 from 2:00 - 3:00 pm ET. Register [here](#).
- On Tuesday, April 9, 2:00-3:00 pm ET, APG will host a members-only webinar on the Medicare Advantage and Part D Final Rule announcement. Register [here](#).
- On Wednesday, April 24, 12:00 - 1:00 pm ET, APG will host a members-only focus group on the Medicare Advantage Request for Information. Register [here](#).

- On Thursday, May 2, 12:00 - 1:00 pm ET, APG will host a second members-only focus group on the Medicare Advantage Request for Information. Register [here](#).
- APG will host an Emerging Trends in Health Care Webinar on May 16, 12:00 pm – 12:45 pm ET, with guest Rebekah Gee, MD, CEO of Nest Health. Register [here](#).
- Registration is open for the APG Spring Conference in San Diego from May 29-31. Register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

Know people who may enjoy receiving *Washington Update*? Forward this email and have them contact [communications@apg.org](mailto: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](mailto:vrutledge@apg.org)  
 Jennifer Podulka, Vice President, Federal Policy ..... [jpodulka@apg.org](mailto:jpodulka@apg.org)  
 Garrett Eberhardt, Executive Director, Medicaid Policy ..... [geberhardt@apg.org](mailto:geberhardt@apg.org)  
 Greg Phillips, Director of Communications ..... [gphillips@apg.org](mailto:gphillips@apg.org)