



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

To our subscribers: *Washington Update* will not publish next week during the APG Spring Conference 2024 in San Diego. It will return on June 7.

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Medicare Physician Payment Reform Inches Forward On Congressional Agenda

Both houses of Congress continue to show interest in making at least some changes in Medicare physician payment this year. These key signs emerged in the past week:

- The bipartisan leadership of the Senate Finance Committee – panel chair Senator Ron Wyden (D-OR) and ranking member Senator Mike Crapo (R-ID) – is seeking stakeholder input on potential changes that could help address provider burnout, the demands of caring for an aging and chronically ill population, and “volatility in year-to-year adjustments” in payment, as described in a [white paper](#) released on May 17. The paper contains multiple specific questions for stakeholders on ways to improve the Medicare Physician Fee Schedule (MPFS) – including “what third-party entities” could review current processes for determining [Relative Value](#)

[Units](#), the yardsticks of clinical work effort, practice expense, and professional liability costs that drive much of the fee schedule. APG will respond to these questions and will seek input on them from members.

- A House Ways and Means health subcommittee [hearing](#) this week examined the forces behind the dwindling number of independent physician practices, including the lack of an adequate adjustment in the MPFS for inflation in practice costs. But witnesses also cited other drivers. Witness Ashish Jha, MD, dean of Brown University's School of Public Health, [described](#) a set of "interrelated factors," ranging from hospital acquisition of practices to the growth of Medicare Advantage. Proposed solutions, he said, could be equally diverse – including [site neutral payments](#), which would blunt the impetus for hospitals to acquire physician practices.



Congress Debates Extensions Of COVID-Era Flexibilities For Telehealth And Hospital At Home

A push is underway to extend Medicare's COVID-era payment [flexibilities](#) for telehealth, the Acute Hospital Care at Home [waiver](#), and other payment modifications that are set to expire at year end. But almost nothing in Congress is ever easy – and differences have erupted over the lengths of extensions and other sticky matters that will have to be resolved before final legislation is enacted.

Although the flexibilities under discussion would not apply to many APG members – who, under separate rules, have the permanent ability to [provide telehealth](#) through the Medicare Shared Savings Program or [Medicare Advantage](#) (MA) – they would help maintain these capabilities for the rest of the U.S. health care system. Many MA plans are also covering hospital at home or similar "advanced care at home" services, and extension of the Medicare Acute Hospital Care at Home waiver would not affect them or the providers with whom they contract.

Progress: So far, two House committees, Energy and Commerce (E&C) and Ways and Means (W&M), have adopted bills that would extend most of the current telehealth flexibilities through 2026. The W&M bill would also extend the current Medicare hospital at home waiver through 2029, which is not a feature of the E&C bill. The Energy and Commerce [bill](#) would grant a permanent extension of the telehealth payment flexibility for federally qualified health centers (FQHCs) and rural health clinics and pay for those visits at the same level as office visits, instead of the flat and reduced rate at

which they are currently paid. By contrast, the W&M [bill](#) did not address a change in payment for telehealth services provided by FQHCs and rural clinics. The discrepancy between the bills is likely to be resolved as the legislation proceeds through the committees.

Meanwhile, in the Senate, Ron Wyden (D-OR), Chair of the Senate Finance Committee, wants a permanent extension that would fully embed the current telehealth flexibilities into law. Other lawmakers are concerned about extending telehealth flexibilities in rural areas without resurrecting the [Affordable Connectivity Program](#), a Federal Communications Commission program subsidizing broadband services for 23 million households, whose funding ended in April. A final consideration will be the cost of extending the flexibilities in a tight budget year.



Potential Changes in Medicare Advantage Data Collection And Reporting Analyzed In APG Recommendations To CMS

Amid signs that the Centers for Medicare & Medicaid Services (CMS) plans more changes in the Medicare Advantage (MA) program, [APG's response](#) to a recent CMS [request for information](#) cautions that the agency should weigh the value of any new data collection efforts against the cost of increased reporting burden for physicians.

APG's comments focused on three of the RFI topics of greatest interest to members: 1) prior authorization and utilization management, including denials of care and beneficiary experience with appeals processes as well as use and reliance on algorithms; 2) cost and utilization of different supplemental benefits; and 3) care quality and outcomes, including value-based care arrangements and health equity.

Specific recommendations include directing CMS to do the following:

- Reflect value-based care arrangements in MA in the agency's 2030 goal of having all Medicare beneficiaries in an accountable relationship;
- Assess the quality of MA and fee-for-service Medicare using comparable measures and data to allow Medicare enrollees and policymakers to compare the relative performance of both options;

- Track information on prior authorizations using MA plans' empirical data rather than relying on additional physician reporting; and
- Collect data on supplemental benefits from MA plans, including evidence of the impact of supplemental benefit utilization on enrollees' quality of care outcomes and out-of-pocket costs, and make the resulting dataset available to researchers.



APG Announcements And Offerings

- It's not too late to register for the **APG's Spring Conference 2024** in San Diego from May 29-31. Register [here](#).
- Abstract submissions for **APG Case Studies in Excellence 2024** are now open. The deadline for APG members is June 17. Click [here](#) for submission guidelines.
- Valinda Rutledge, APG EVP of Advocacy and Education, has been named one of Pearl Health's Top 50 Value-Based Care Thinkers of 2024. Read more [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today.](#)

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