Highmark's Weekly Capitol Hill Report

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Federal Issues

Legislative

Congress Clears Final FY24 Funding, Averting Shutdown

On Friday, the House voted 286-134 to pass a $1.2 trillion government funding bill, sending it to the Senate, which passed the measure 74-24 and sent it to President Biden, averting a partial government shutdown.

Topline: The Department of Health and Human Services (HHS) is set to get a slight increase of $955 million above current funding, totaling more than $117 billion. The proposed bump includes modest funding boosts for the National Institutes of Health, Biomedical Advanced Research and Development Authority, organ transplant system modernization, and the 9-8-8 mental health crisis hotline.

What's in:

- NIH: The research agency is set to receive a $300 million increase in base

funding over the prior fiscal year, up to $48.6 billion. It includes a $120 million hike for cancer research, a $100 million boost for Alzheimer's research, a $75 million bump for mental health research, and $10 million more for diabetes research. The Advanced Research Projects Agency for Health's funding would remain flat at $1.5 billion.
- 9-8-8: The suicide and mental health crisis lifeline is set to get an $18 million boost.
- Telehealth: The deal includes a $4 million boost for the Health Resources and Services Administration to "integrate and implement a robust tele-mentoring initiative at an academic medical center."
- Patient matching: The agreement also includes a $3 million boost for the Office of the National Coordinator for Health IT to "work with industry to develop matching standards that prioritize interoperability, patient safety, and patient privacy."

What's out:
- Transparency and PBMs: A health care package that would have increased transparency, reformed pharmacy benefit manager practices, and boosted community health center funding was not included in the package.
- NIH: The budget excludes mandatory funding for the 21st Century Cures Act, which funds biomedical research and the cancer moonshot initiative.

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What's Next: Already six months into the fiscal year, the focus now pivots to FY25 funding, due by Sept. 30. Most likely a continuing resolution will be needed to extend government funding through the November election.

Also On Capitol Hill...

- The House Energy and Commerce Committee advanced more than a dozen health care bills on Wednesday, teeing them up for consideration by the full House. The legislation would largely reauthorize programs set to expire at the end of the fiscal year, including measures to extend the National Alzheimer's Project, reauthorize a program to deal with provider burnout, and bolster rural emergency medical services. Other bills would continue programs for traumatic brain injuries and boost funding for Down syndrome research. The lone bill that didn't get unanimous backing was the Kidney PATIENT Act, which would delay CMS from moving oral-only drugs for chronic kidney disease into a different payment system.

Congress Requests Information on the State of AI in Health Care
Rep. Ami Bera (D-CA), a member of the bipartisan House Task Force on Artificial Intelligence (AI), released a Request for Information on the state of AI in health care.

Why this matters: Responses will be used to enhance Congress' understanding of AI in health care and inform their efforts to develop policies that promote innovation while safeguarding patient interests. Specifically, the RFI asks for feedback on implementation, efficacy, accuracy, transparency, ethical and regulatory considerations, as well as input on what legislative measures Congress can take to ensure access to safe, reliable AI healthcare services.
Comments are due May 6, 2024.

Go Deeper: Review the RFI here.

Federal Issues

Regulatory

HHS Announces New Initiative to Increase Investment in Person-Centered Primary Care
The U.S. Department of Health and Human Services (HHS) announced a new voluntary model to empower primary care providers in eligible Accountable Care Organizations (ACOs) to treat people with Medicare using innovative, team-based, person-centered proactive care.

Why this matters: The ACO Primary Care Flex Model (ACO PC Flex Model) will provide a one-time advanced shared savings payment and monthly prospective primary care payments (PPCPs) to ACOs. The advanced shared savings payments provide ACOs with needed resources and flexibility to cover costs associated with forming an ACO, where relevant, and administrative costs for required model activities.

The CMS Innovation Center will test this new model within the Medicare Shared Savings Program. The model will focus on and invest in low-revenue ACOs, which tend to be smaller and mainly made up of physicians. Low-revenue ACOs have historically performed better in the Shared Savings Program, demonstrating more savings and stronger potential to improve the quality and efficiency of care delivery.

Read more about the model here.

Medicare Part D Plans Can Now Cover Wegovy
The Centers for Medicare and Medicaid Services (CMS) provided coverage guidance to private Medicare Part D drug plans to allow for coverage of the weight loss drug Wegovy, when prescribed for patient with heart disease who are in need of medication to reduce the risk of future heart attacks, strokes and other serious problems. Earlier this month, the anti-obesity medication received FDA approval to reduce heart attack and stroke risk in addition to obesity. Currently, Medicare Part D plans are prohibited from covering weight loss drugs under the 2003 Medicare Modernization Act.

Why this matters: Part D plans, both standalone or as part of a Medicare Advantage plan, can decide whether to apply formulary restrictions to the use of Wegovy and can include prior authorization.

The Congressional Budget Office (CBO) said earlier this week that allowing Medicare Part D coverage of anti-obesity medications would cost the government more over the next decade than it will save in reducing spending on obesity-related conditions, such as diabetes or heart disease.

CMS Updates Document on Managed Care Engagement in Redeterminations
The Centers for Medicare & Medicaid Services (CMS) updated the "Strategic Approaches to Engaging Managed Care Plans to Maximize Continuity of Coverage as States Resume Normal Eligibility and Enrollment Operations" slide deck.

Why this matters: The update includes clarification on the role that managed care plans can play in helping collect enrollee signatures on renewal forms and forwarding to the state for processing. While managed care plans are never permitted to sign renewal forms on behalf on an enrollee, the slide deck notes that plans may accept and collect signatures as an administrative activity for the state and forward signed documents to the state for processing. Read More

State Issues

Delaware
Legislative

Governor Signs Ovarian Cancer Screening Bill Into Law
House Bill 15 w/ House Amendment 1 was signed by the Governor last week.

Why it matters: The legislation requires all individual, blanket, and group health insurance policies to cover annual ovarian cancer screening tests for women at risk for ovarian cancer. It further expands the scope of monitoring tests available to women subsequent to ovarian cancer treatment. It applies to all policies, contracts, or certificates issued, renewed, modified, altered, amended, or reissued after December 31, 2024.

House Amendment 1 removes the section of the bill that required coverage of experimental or investigative services. Its companion bill, House Bill 16 which mandates the same coverage for the State of Delaware employees account and Medicaid recipients, is currently in the House Appropriations Committee.

State Issues

New York
Legislative

State Budget Negotiations Continue

With the April 1 target start of the 2025 Fiscal Year fast approaching, the Governor and legislative leaders still had not come to a final agreement on exactly how much money to spend in the coming year. Although it's possible an agreement can be reached by the end of this week, most observers are predicting a late budget -- which means the budget policy items of interest to health plans are in limbo as well.

Regulatory

Governor Announces Pharmacists Can Now Provide Contraception Without a Prescription

Declaring birth control "essential health care" for women, Governor Hochul and Department of Health Commissioner McDonald last week signed a standing order authorizing pharmacists to dispense three types of hormonal contraception medication without a prescription.

Why this matters: Patients will no longer need a prescription from their primary physicians for these contraceptive medications. Participating pharmacists are now able to dispense up to 12 months of a self-administered contraception of the individual's

preference, and the cost is to be covered by their insurance. Contraceptives covered include oral pills, vaginal ring, and contraceptive patch.

State Issues

Pennsylvania
Regulatory

PID Issues Letter on Change Healthcare Cyber Attack

The Pennsylvania Insurance Department (PID) has released a letter to insurers requesting them to provide flexibility in administering healthcare benefits in the aftermath of the Change Healthcare cyber-attack.

The letter asks insurers to do the following:
• To the extent an insurer has not yet implemented assistance for providers, each insurer operating in Pennsylvania to make every effort to provide prompt assistance to providers as they navigate the situation.

• **Consider waiving prior authorization** and other operational requirements in situations where the insurer and provider cannot electronically share information or would need to use time-intensive workarounds in the absence of the Change Healthcare system.

• **Consider processes for a network provider to obtain financial advances** from the insurer during periods where billing and reimbursement processes are unavailable or delayed.

The governor has also issued a press release on the matter.

Pennsylvania Insurance Department Increases Autism Spectrum Disorders Maximum Benefit

Pursuant to Section 635.2 of The Insurance Company Law of 1921 (40 P.S. § 764h) the Insurance Commissioner on or before April 1 of each calendar year, must publish in the *Pennsylvania Bulletin* an adjustment to the maximum benefit equal to the change in the United States Department of Labor Consumer Price Index for All Urban Consumers (CPI-U) in the preceding year.

Why this matters: Accordingly, the CPI-U change for the year preceding December 30, 2023, is an increase of 3.4%. Therefore, the maximum benefit, previously adjusted to

$48,786 per year, is hereby adjusted to $50,445 for policies issued or renewed in calendar year 2025. The Notice is available here.

Industry Trends

Policy / Market Trends

Industry Trade Associations Affirm Commitment to "Last Mile" of Cyberattack Response

Background: On March 18, AHIP, BCBSA, and other industry trade associations met virtually with HHS Secretary Xavier Becerra and senior White House officials on the industry's response to the cyberattack on Change Healthcare. HHS acknowledged that significant progress has been made by insurers to support providers, adding that claims payments to providers continue to return to near-normal levels. Administration attendees also discussed their shift in focus to the "last mile," especially for small, rural, and safety net providers who need financial assistance.

Joint Letter on the "Last Mile": Following the meeting, AHIP, Alliance of Community Health Plans, the Association for Community Affiliated Plans, and the Blue Cross Blue Shield Association sent a follow-up letter to HHS noting the progress that has been made and committing to advance the following joint priorities:

- Engaging in proactive and data-driven outreach to the group of remaining providers facing operational challenges with claims processing or reimbursement.
- Supporting provider partners who switch to alternative payment and claims processing services.
- Giving flexibility for those providers who are unable to make new connections.
- Providing targeted advance payments to impacted providers in need.
- Expeditiously working to clear incoming claim batches to continue timely reimbursement.

Interested in reviewing a copy of a bill(s)? Access the following web sites:

Delaware State Legislation: **http://legis.delaware.gov/.**

New York Legislation: **https://nyassembly.gov/leg/**
Pennsylvania Legislation: **www.legis.state.pa.us.**
West Virginia Legislation: **http://www.legis.state.wv.us/**
For copies of congressional bills, access the Thomas website – **http://thomas.loc.gov/.**

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