



Federal Issues

Legislative

Updates from Capitol Hill

Legislative Activity

On Wednesday, the House Energy and Commerce Committee [marked up](#) and passed 16 bills, including [H.R. 7623](#), the Telehealth Modernization Act of 2024, as amended, 41-0. The legislation would extend key Medicare telehealth flexibilities until the end of 2026.

The legislation also:

- Requires a “separate identification number and an attestation for each off-campus outpatient department of a provider.” The Congressional Budget Office (CBO) [estimates](#) this will save about \$4 billion over ten years.
- Includes five-year extension of virtual delivery flexibility in the Medicare Diabetes Prevention Program.
- Includes Medicare delinking and PBM transparency provisions.

Hearings Last Week

Chronic Disease: On Wednesday, the House Ways and Means Health

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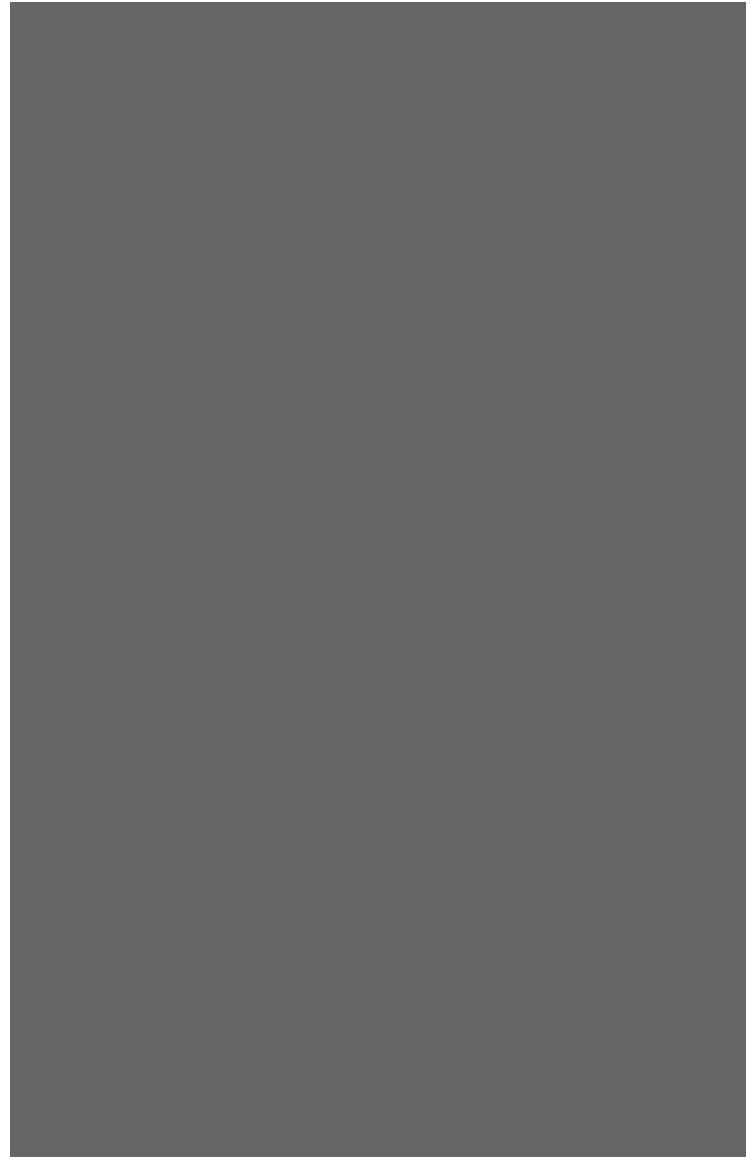
Policy / Market Trends

- Coalition Highlights Chronic Disease Prevention in Employer-Provided Coverage
- HRSA Announces \$100M to Grow Health Workforce

Subcommittee held a [hearing](#) titled, “Investing in a Healthier America: Chronic Disease Prevention and Treatment.” Subcommittee Chair Vern Buchanan (R-FL) led a discussion among a panel of academics, business leaders, and health professionals to examine the prevalence of chronic disease in America and the value of investing in innovative preventive care and treatment approaches.

Key topics included:

- Expanding supplemental benefits eligibility in Medicare Advantage beyond the chronically ill, by passing the [Whole Health in Medicare Advantage Act](#).
- Identifying poor nutrition as a root cause of chronic diseases, and how we can improve on this by better integrating Food Is Medicine programs into healthcare, understanding how food prescriptions may contribute to healthier outcomes and lower costs, and increasing nutrition education in graduate medical education.
- Suggesting a National Diabetes Prevention Program, including nutrition research and treatments



Federal Issues

Regulatory

IRS Releases Proposed Rule Impacting Premium Tax Credit Computation

On September 17th, the Internal Revenue Service (IRS) released a proposed rule entitled "[Definition of the Term 'Coverage Month' for Computing the Premium Tax Credit](#)".

Premium tax credits (PTC) are provided for applicable taxpayers who meet certain eligibility requirements, including that a member of the taxpayer's family enrolls in a qualified health plan (QHP) through an Exchange for one or more "coverage months." Under existing IRS rules, a month is not a "coverage month" for an individual unless the taxpayer pays their **full share of the premium** for the coverage under the plan for the month by the un-extended due date for filing the taxpayer's income tax return for that taxable year, or the full premium for the month is paid by advance payments of the PTC (APTC).

Why this matters: The proposed rule would modify the definition of "coverage month" to provide that, **in addition to when the taxpayer pays their full share** or it is paid by APTC, a month may be a coverage month if the amount of the premium paid, including by APTC, for the month for the coverage **is sufficient to avoid termination of the coverage for that month.**

The regulatory language outlines three scenarios as sufficient to avoid termination:

- **First month of the APTC grace period:** Under existing rules, issuers must provide coverage to enrollees for whom APTC is paid in the first month of a grace period, even if the enrollee's share of the premium for the coverage is unpaid. Thus, the proposed regulations would treat the first month of the grace period as a "coverage month" for PTC purposes if the other coverage month requirements under IRS rules are satisfied. According to the preamble, this is generally occurring for states that used the Federal platform due to reporting practices, but not always occurring for state-based exchanges. The proposed rule will ensure consistency that PTC is always paid for the first month of the 3-month APTC grace period.
- **Premium payment threshold:** Some issuers provide coverage for a month as long as at least a certain portion of the enrollee's premium for the month is paid. The IRS is of the view that a month for which coverage is provided because a premium

payment threshold is met should not fail to be a coverage month solely because the full premium has not been paid. The proposed regulatory change will ensure PTC is always paid when the premium payment threshold is met.

- **Declared state emergency:** A State department of insurance may prohibit an issuer from terminating QHP coverage during a declared emergency. In this scenario, if the issuer provides coverage for a month even though the enrollee's portion of the premium has not been fully paid, the IRS is of the view that the month should not fail to be a coverage month solely because the full premium has not been paid. This month should be treated as a coverage month because the portion, if any, of the premium that was paid is sufficient to provide coverage to the enrollees during an emergency situation under applicable State law.

The IRS also requests comments on whether there are other scenarios in which an issuer does not terminate coverage for a month for which the full premium has not been paid and whether such a month should be treated as a coverage month. Comments on the proposed rule are due by November 1, 2024.

State Issues

New York

Legislative

Legislation Sent to the Governor

Five bills were delivered to the Governor late Friday, including:

- S.9040/A.9764 –The proposal prohibits pharmacy benefit managers from penalizing pharmacies for providing customers with certain information relating to the costs of prescription medications.
- A.1696C/S.2465C – The bill requires insurance policies to cover additional testing related to breast cancer.
- S.201/A.2656 – The legislation would create a special enrollment period without penalty for pregnant persons
- A.3865A/S.1965A – The bill would require insurance coverage of prenatal vitamins
- A.7790A/S.6674A – This bill would also require insurance coverage of human donor milk

The New York Health Plan Association (HPA) opposes all of these measures. For most of them — breast cancer testing, a special enrollment period for pregnancies, and the coverage of prenatal vitamins and donor breast milk — HPA has argued these are already covered services. HPA is encouraging the Governor to veto the bills.

Industry Trends

Policy / Market Trends

Coalition Highlights Chronic Disease Prevention in Employer-Provided Coverage

The Alliance to Fight for Health Care (AFHC) sent a [letter](#) to House Leadership to urge passage of legislation to provide flexibility to provide chronic disease prevention pre-deductible.

Bill Spotlight: AFHC highlighted [H.R. 3800](#), the *Chronic Disease Flexible Coverage Act*, bipartisan legislation that would provide flexibility for employers and health plans to offer more drugs and services treating chronic conditions before patients have met their deductibles.

Why this matters: 90% of the nation's annual health care spending is for people with chronic and mental health conditions. After the U.S. Department of Treasury issued guidance granting similar flexibility, medication adherence increased for drugs treating diabetes and heart disease. This bill demonstrates how small, bipartisan policy changes can help millions of Americans better afford the drugs and services they need to live healthier lives.

HRSA Announces \$100M to Grow Health Workforce

The Health Resources and Services Administration (HRSA) [announced](#) nearly \$100 million in funding to strengthen the health workforce and improve access to quality care in high-need areas across the country.

The funding will support efforts in the following areas:

- Integrating mental health care in pediatric care
- Acute and long-term care nursing workforce
- Primary care physician workforce in high-need areas
- Opioid crisis response

The Big Picture: AHIP's Board of Directors' [Statement of Commitment and Vision for Improved Mental Health Access](#) prioritizes increasing the number of mental health practitioners, optimizing the existing workforce, and using telehealth and other technology solutions to expand access.

Go Deeper: Read the full list of awards [here](#).

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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