PUBLIC POLICY *ALERT*

AAHCM
AMERICAN ACADEMY OF HOME CARE MEDICINE

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Academy Public Policy E-Briefing

Welcome to the Academy's Quarterly Public Policy E-Briefing. You will find this and all previous Public Policy E-Briefs on the Academy website. Please contact Joy Chen at jchen@healthsperien.com or visit the Academy's Education page on the Academy website for additional information. As well, if you are facing policy issues related to COVID-19, please contact us and/or visit our resources page here. Highlights in this quarterly e-brief include:

- Center for Medicare and Medicaid Services (CMS) Releases 2024 Medicare Advantage and Part D Final Rule
- CMS Releases 2024 Medicare Advantage Final Rate Announcement
- CMS Updates Provider-Specific Guidance Related to the Public Health Emergency (PHE)
- President Biden Signs Bill Ending COVID-19 National Emergency
- Legislation Introduced to Address Payment Uncertainty for Medicare Physicians
- Biden Administration Releases Fiscal Year 2024 Budget
- Center for Medicare and Medicaid Innovation (CMMI) Plans to Release Multiple New Advance Primary Care and Total Cost of Care Models

CMS Releases 2024 Medicare Advantage and Part D Final Rule

On April 5, CMS released their annual Medicare Advantage (MA) and Part D Final Rule for 2024 (fact sheet) which governs requirements for MA and Part D plans. Among its provisions, the rule finalizes stricter prior authorization requirements, increases beneficiary marketing protections, better incorporates health equity into Star Ratings, provider directories, and quality improvement programs, and improves access to behavioral health. The proposed expanded eligibility criteria of the Medication Therapy Management (MTM) Program under Part D were not finalized at this time. Key highlights are provided below:

Utilization Management Requirements

- Requires that MA plans follow Traditional Medicare national coverage determinations (NCDs), local coverage determinations (LCDs), statutes, and regulations when making medical necessity determinations.
- Requires plans to post internal coverage criteria and provide public summary of evidence that was considered during the development of the internal coverage criteria used to make medical necessity determination.
- Requires that an approval granted through Prior Authorization (PA) processes must be valid for as long as medically necessary to avoid disruptions in care in accordance with applicable coverage criteria, the patient's medical history, and the treating provider's recommendation and requires plans provide a minimum 90-day transition period when an enrollee currently undergoing treatment switches to a new MA plan, switches from Traditional Medicare to an MA plan, or is new to Medicare.
- Requires MA organizations to establish a committee—led by a plan's Medical Director—that reviews utilization management—including PA—policies annually and keeps current of LCDs, NCDs, and other Traditional Medicare coverage policies.

Star Ratings

- Finalizes the replacement of the current reward factor with a health equity index (HEI), beginning with 2027 Star Ratings. The HEI will assess contract performance among beneficiaries with certain social risk factors.
- Removes the 60 percent rule for extreme and uncontrollable circumstances.
- Reduces the weight of patient experience/complaints and access measures from four to two.
- The removal of guardrails (i.e., bidirectional caps) when determining measure-specific thresholds for non-CAHPS measures, as well as the modification of the Improvement Measure hold harmless policy, were not finalized at this time.

CMS Releases 2024 Medicare Advantage Final Rate Announcement

On March 31, CMS released (fact sheet) the Announcement of Calendar Year (CY) 2024 MA Capitation Rates and Part C and Part D Payment Policies (the Final Rate Announcement). **It is important to note that the changes finalized in this announcement only apply to MA and Part D plans.** Key provisions in the Final Rate Announcement are outlined below:

MA Plan Payment Impacts

The bullets below outline both CMS' proposed and finalized MA plan payments in 2024. The increase in the average payments was 3.32%, an increase from the original proposed 1.03%. CMS notes that the increase in risk score trend from 3.30% to 4.44% reflects the phase-in of the finalized 2024 risk adjustment model.

Effective Growth Rate	○**Proposed: 2.09%** ○**Finalized: 2.28%**
Change in Star Ratings	○**Proposed: -1.24%** ○**Finalized: -1.24%**
MA Coding Pattern Adjustment	○**Proposed: 0.00%** ○**Finalized: 0.00%**
Risk Model Revision and Normalization	○**Proposed: -3.12%** ○**Finalized: -2.16%**
MA Risk Score Trend	○**Proposed: 3.30%** ○**Finalized: 4.44%**
Expected Average Change in Revenue	○**Proposed: 1.03%** ○**Finalized: 3.32%**

Part C Risk Adjustment Model Revision

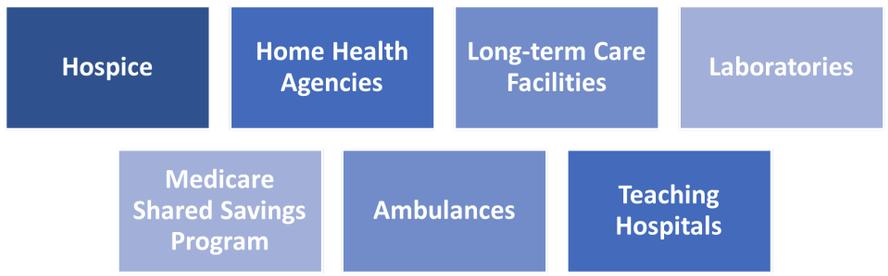
CMS finalized the 2024 proposed Part C risk adjustment model, which included restructured condition categories using ICD-10 instead of ICD-9, updated underlying FFS data years (from 2014 diagnoses and 2015 expenditures to 2018 diagnoses and 2019 expenditures), and revisions to the model to account for coding variation, which will result in the removal of over 2000 unique codes from the HCC model. While CMS is finalizing the model as proposed,

it will phase in the model over three years, using the following transition process:

CY 2024	CY 2025	CY 2026
•Risk scores will be calculated as a blend of 67% of risk scores calculated from the current model (the 2020 model) and 33% with the updated model (the 2024 model).	•33% calculated under the 2020 model and 67% of the risk scores calculated under the 2024 model.	•100% of the risk scores will be calculated with the updated 2024 model.

CMS Updates Provider-Specific Guidance Related to the PHE

On February 23, CMS updated its provider-specific guidance related to the COVID-19 PHE. On January 30, 2023, the Biden Administration announced its intent to end the national emergency and PHE declarations on May 11, 2023, related to the COVID-19 pandemic. To support the transition, CMS provides resources and fact sheets about PHE waivers and flexibilities for physicians, including information about which waivers and flexibilities have already ended, become permanent, or will end at the end of the PHE. The physician-specific fact sheets include information on:



President Biden Signs Bill Ending COVID-19 National Emergency

On April 10, President Joe Biden signed a House bill immediately ending the COVID-19 national emergency, first enacted in 2020 during the Trump administration. Of note, the COVID-19 National Emergency is distinct from the COVID-19 Public Health Emergency (PHE), which will expire on May 11th. While many health care flexibilities are still tied to the COVID-19 PHE, the National Emergency notably governs 1135 waiver flexibilities, which provided additional flexibilities to health care providers during the pandemic. Certain policy changes contained in two March 2020 interim final rules and specific policies in the Coronavirus Aid, Relief, and Economic Security (CARES) Act will continue until the expiration of the PHE. The Consolidated Appropriations Act of 2023 extended many telehealth flexibilities through December 31, 2024.

Legislation Introduced to Address Payment Uncertainty for Medicare Physicians

On April 3, Representatives Raul Ruiz, M.D. (D-CA), Larry

Bucshon, M.D. (R-IN), Ami Bera, M.D. (D-CA), and Mariannette Miller-Meeks, M.D. (R-IA) introduced H.R. 2474, the Strengthening Medicare for Patients and Providers Act. The legislation would change the physician payment rate above the current law by providing an annual Medicare physician payment update tied to inflation, as measured by the Medicare Economic Index (MEI). The Medicare Trustees and MedPAC have previously called for legislative action to address the Medicare physician payment system by providing physicians with an annual inflation-based update tied to the MEI. A March 2023 report from the Medicare Trustees states that the trustees "expect access to Medicare-participating physicians to become a significant issue in the long term" unless Congress takes steps to bolster the payment system.

Biden Administration Releases Fiscal Year 2024 Budget

On March 9, President Biden released his Fiscal Year 2024 budget, which totals $6.8 trillion, a $400 billion increase over FY 2023. In addition, the budget would increase the Department of Health and Human Services (DHHS) budget by 11.5 percent after DHHS requested an additional $144 billion in discretionary spending. Specifically, the HHS budget proposes to:

Strengthen Long-term Care

- Allocatte $150 billion over ten years to improve and expand Medicaid home and community-based services.

Reduce Drug Prices

- Limit Medicare Part D cost-sharing for high-value generic drugs to no more than $2 per script, authorize HHS to negotiate supplemental drug rebates on behalf of states, and cap the price of insulin products at $35 for a monthly prescription in the commercial market.

Protect Medicare

- Extend the solvency of Medicare by at least 25 years through capital gains tax reforms.

Advance Cancer Treatment

- Provide $1 billion for dedicated Cancer Moonshot activities, $7.8 billion for the National Cancer Institute, and $2.5 billion—a $1 billion increase—for the Advanced Research Projects Agency for Health (ARPA-H).

Transform Behavioral Health Care

- Lower patients' costs for mental health services, require parity in coverage between behavioral health and medical benefits, and expand coverage for behavioral health providers for Medicare beneficiaries; further, DHHS intends to invest in the behavioral health workforce, youth mental health treatment, Certified Community Based Behavioral Health Clinics, Community Mental Health Centers, and mental health research.

Invest in Community Health Centers and Health Care Workforce

- Double the size of the Health Center Program, expand the National Health Service Corps and Teaching Health Center Graduate Medical Education Program, allocate $32 million to increase the nursing workforce, and provide $28 million to recruit and train new providers.

Advance Maternal Health and Health Equity

- Provide $471 million to support the implementation of the White House Blueprint for Addressing the Maternal Health Crisis, reduce maternal mortality and morbidity rates, and require all states to provide continuous Medicaid coverage for 12 months postpartum.

Reduce Hunger

- Allocate $137 million to address specific commitments made in the White House Conference on Hunger, Nutrition, and Health and the corresponding National Strategy; and strengthen access to nutrition and obesity counseling in Medicaid.

CMMI Plans to Release Multiple New Advance Primary Care and Total Cost of Care Models

On January 24, the Center for Medicare and Medicaid

Innovation (CMMI) Director Liz Fowler, Ph.D., announced CMMI's plans to release up to four new alternative payment models (APMs) in 2023. The new models will focus on advancing primary care and enabling states to assume the total cost of care. The proposed state-enabled Medicare payment model will share similarities with the Maryland Total Cost of Care Model, which has been shown to generate savings. These new models align with CMMI's goals of increasing participation of specialist providers in value-based care and advancing health equity efforts. Director Fowler noted there will be a focus on financial calculations and making it possible for more safety-net providers to participate.

The American Academy of Home Care Medicine has been serving the needs of thousands of home care medicine professionals since 1988, through an interdisciplinary team of HBPC care providers working with patients' community supports. Our members include home care physicians, nurse practitioners and physician assistants who make house calls, care for homebound patients, act as home health agency and hospice medical directors, and refer patients to home care agencies; home care organizations; medical directors of managed care plans; and administrators of medical groups interested in home care. Their specialties include internal medicine, family practice, pediatrics, geriatrics, psychiatry, and emergency medicine.

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