

Federal Issues

Legislative

Biden Delivers First State of the Union Address

On March 1, President Biden delivered his first [State of the Union](#) address in which he discussed the situation in Ukraine and urged Congress to act on several key initiatives. While health care was not a major focus, he did highlight several proposals:

- The President called on Congress to pass legislation to make permanent the Affordable Care Act premium tax credits from the American Rescue Plan.
- He also outlined a plan to address the mental health crisis, on which the White House released a [fact sheet](#) prior to the speech. The President's mental health agenda includes several policies, including parity in coverage for physical and behavioral health needs, integrating mental health into primary care settings, and expanding access to tele-mental health care options.
- The President also urged Members of Congress to pass comprehensive prescription drug pricing reforms, including a cap on the

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cost of insulin at \$35 a month and allowing Medicare to negotiate prices for prescription drugs.

- Other issues discussed include staying vigilant in the fight against COVID-19, closing the Medicaid coverage gap, and improving maternal health care

Industry leaders responded to the key health care issues mentioned in the president's speech. AHIP President and CEO Matt Eyles issued a [statement](#) on the health care policies outlined in the speech and BCBSA President and CEO [Kim Keck](#) and executive vice president for external affairs, [Sean Robbins](#) issued tweets during the speech.

- CMS Innovation Center Launches New Health Equity Initiative

Federal Issues

Regulatory

DOH Announces New Health Care Innovation Models

The Department of Health (DOH) outlined new guidelines to allow hospitals to implement three innovative care delivery models designed to increase patient access to care within the constraints of the state's current licensure framework.

The models aim to preserve and increase access to high-quality care in areas that may be medically underserved, especially in rural areas.

The delivery models outlined are:

- Outpatient Emergency Departments (OED): Outpatient hospital departments that offer only emergency services and are not located on the grounds of the main licensed hospital. The model does not include independent, freestanding emergency departments that are not an outpatient location under the license of a hospital
- Micro-Hospitals: Acute care hospitals that offers emergency services and maintain at least 10 inpatient beds with a narrow scope of inpatient acute care services. Micro-hospitals are not required to maintain surgical services
- Tele-Emergency Department (Tele-ED): Acute care or critical access hospital emergency department that is staffed 24 hours per day/7 days per week by advanced practice providers with a physician available at all times through telecommunications but not physically present in the emergency department

All three models are subject to eligibility criteria including patient volume, geographic location, minimum staffing, and services.

Why This Matters: The Hospital & Healthsystem Association of Pennsylvania (HAP) is assessing the models and their potential impact on Pennsylvania's hospital community. HAP will engage member hospitals and health systems in order to inform communication with DOH leadership, and continue to advocate for the flexibility necessary to assist hospitals in providing patient-centric services and meeting their communities' needs.

Hospitals should review the posted [online materials](#) and evaluate whether the outlined models could help support their community's care needs.

CMS Releases Information Regarding Surprise Billing Protections Following Court Decision

The Centers for Medicare and Medicaid Services (CMS) released a [public memorandum](#) addressing the implications of the decision on surprise medical billing rules by the U.S. District Court for the Eastern District of Texas in Texas Medical Association v. HHS. CMS notes the "court's order did not affect any of the Departments' other rulemaking under the No Surprises Act. Thus, consumers continue to be protected from surprise bills for out-of-network emergency services, out-of-network air ambulance services, and certain out-of-network services received at in-network facilities."

The memo also includes three actions CMS is pledging to take to comply with the court's order, including withdrawing guidance documents that refer to provisions of the interim final rule vacated by the court and replacing with new guidance documents, providing new training for Certified IDR Entities and disputing parties on the updated guidance, and then opening the IDR Portal for disputes. The memo references a 15-business-day grace period for disputes for which the open negotiation has expired once the IDR Portal is open. Questions may be directed to the No Surprises Act Help Desk via phone at 1-800-985-3059.

Why This Matters: The memo provides a pathway for implementation and enforcement of the No Surprises Act to continue.

COVID-19 Update

AHIP and Industry Experts Meet with HHS to Discuss COVID-19 Vaccines

AHIP, Blue Cross Blue Shield Association (BCBSA), Better Medicare Alliance (BMA), the Association for Community Affiliated Plans (ACAP), the Alliance of Community Health Plans (ACHP), as well as representatives from various health plans met with officials from the Department of Health and Human Services (HHS) to discuss COVID-19 vaccines.

At the meeting, these representatives engaged in a frank conversation on the need for plans to have complete and accurate vaccine data. The HHS officials also shared new research and messaging guidance intended to encourage uptake of the boosters. The resources shared at the meeting include:

- **Older Adult Toolkit:** <https://wecandothishhs.gov/resource/older-adults-toolkit>

- **Talking Points:** <https://wecandothis.hhs.gov/resource/oa-covid-19-vaccine-talking-points-for-communicating-with-older-adults>
- **Booster Toolkit:** <https://wecandothis.hhs.gov/resource/communicating-with-a-general-audience-about-covid-19-vaccine-boosters>
- **Text Messaging Guidance:** <https://wecandothis.hhs.gov/resource/text-messages-to-encourage-vaccine-boosters-uptake>

Biden Administration Releases National COVID-19 Preparedness Plan

The White House [published](#) a National COVID-19 Preparedness Plan as a part of the Biden Administration's effort to tackle the next phase of the pandemic. The plan focuses on four key goals: protect against and treat COVID-19, prepare for new variants, prevent economic and educational shutdowns, and continue to vaccinate the world.

Why This Matters: The proposal also features several policies key to health insurance providers' response to the pandemic. Some of the policies emphasized in the proposal include:

- Establishment of "One-Stop Test to Treat" locations at pharmacy-based clinics, community health centers, Long-Term Care Facilities, and the U.S. Department of Veterans Affairs (VA) facilities across the country. "One-stop" sites will be operational by March.
- Strengthening data infrastructure and interoperability so more jurisdictions can link case surveillance and hospital data to vaccine data.
- A comprehensive emergency response COVID-19 surge playbook to stand up mass vaccination and testing sites, expedite deployments of surge medical and emergency personnel, expand hospitals and emergency facilities, and provide emergency supplies.
- Updates to the framework for recommendations on preventive measures like masking to reflect the current state of the disease.
- Increasing equitable access to testing and COVID-19 mitigation resources for people with disabilities and older adults, and engagement of industry to accelerate research and development of accessible self-tests.
- Equipping Americans with the tools to identify misinformation and to invest in longer-term efforts to build resilience against health misinformation.

State Issues

New York

Legislative

Intracompany Dividend Tax Bill Introduced

State Sen. Tim Kennedy, Buffalo, introduced a bill that would impose a 9.63% tax on dividends, payments, loans or transfers from New York domiciled insurers to out-of-state entities. The tax would apply to for-profit insurers and all health maintenance organizations on their commercial business (not Medicaid, CHP or Medicare). Funds generated by the tax would be directed to the state agency trust fund, distressed provider assistance account. There is no companion bill in the Assembly at this time. Highmark is analyzing the bill for potential affects.

Why This Matters: Tax changes / reform proposals could impact Highmark's tax obligations impacting overall financials.

State Issues

West Virginia Legislative

Senate Committee Advances Insulin Cap Legislation

The Senate Health and Human Resources Committee advanced [House Bill 4252](#) (Rohrbach, R-Cabell) which proposes to cap monthly insulin co-pays at \$35, diabetic testing and related materials to \$100 monthly and insulin delivery devices at \$250 over a two-year period. House Bill 4252 was amended with an effective date for plan years beginning on or after January 1, 2023.

House Bill 4252 now awaits consideration from the Senate Finance Committee.

Why This Matters: Limiting cost sharing for specific drugs will impact plan designs and place greater pressure on premiums.

Industry Trends

Policy / Market Trends

CMS Releases Latest Enrollment Figures for Medicaid and CHIP

The Centers for Medicare & Medicaid Services (CMS) recently [released](#) the latest enrollment figures for Medicaid and the Children's Health Insurance Program (CHIP).

Why This Matters: The August and September 2021 Medicaid and CHIP enrollment snapshot shows nearly 85 million individuals have coverage through Medicaid and CHIP – an enrollment increase of 640,953 in August 2021 compared to July 2021, and then increased again by 533,627 in September 2021. States were eligible for a 6.2% Federal Medical Assistance Percentage (FMAP) increase during the COVID-19 public health emergency (PHE), provided they met maintenance of eligibility requirements to continue coverage for their Medicaid enrollees during the PHE. AHIP will continue to work with the Administration, Congress, and states to ensure that Medicaid is effective and accessible beyond the PHE.

CMS Innovation Center Launches New Health Equity Initiative

HealthAffairs published an [article](#) outlining the CMS Innovation Center's new initiative to advance health equity, authored by Dr. Dora Hughes, the Chief Medical Officer for the CMS Innovation Center (CMMI).

Why This Matters: According to the outline of the initiative, the CMS Innovation Center's activities to advance health equity will include:

- Developing new models to promote and incentivize equitable care
- Increasing participation of safety net providers
- Increasing collection and analysis of equity data
- Evaluating health equity impact

CMMI stated that potential options to address health equity models include focusing recruitment on underserved populations, quality metrics, enhanced benefits, and payment incentives or adjustments. As a long-term strategy of collecting equity data, CMMI will require model participants to collect self-reported demographic and social-needs data from beneficiaries through questionnaires, application program interfaces, and mechanisms for bulk data submission.

CMMI also said they will continue with their series of health equity-focused roundtable events and interviews for the purposes of soliciting new ideas and learning more about challenges to participation in the initiative.

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/>.

If you have any questions about a DE, NY, PA, WV, or congressional bill, contact the Government Affairs Department at (717).302.3978.

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