

SELLERS DORSEY DIGEST

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NAVIGATION

Federal Updates

The Biden administration will give the Affordable Care Act (ACA) navigators \$80 million for the 2022 plan year as the administration continues to bolster the ACA.

State Updates

The Iowa Department of Human Services (DHS) has appointed Elizabeth Matney as the state's new Medicaid director.

Private Sector Updates

Molina Healthcare will acquire Cigna's Medicaid assets in Texas for \$60 million with the deal closing in the second half of this year.

Sellers Dorsey Updates

In case you missed it, last week Senior Consultant Brian Dees presented the highlights and implications of CMS' decision to rescind approval of Texas' 1115 waiver extension.

Summary of Key Updates

The Centers for Medicare and Medicaid Services (CMS) is expected to publish its proposed FY 2022 Hospital Inpatient Prospective Payment System in the Federal Register on May 10. The proposed rule introduces a series of changes to Medicare reimbursement for inpatient hospital services. Comments on the proposed rule are due June 28, 2021 ([Federal Register](#), April 27; [Modern Healthcare](#), April 27).

President Biden has nominated Dr. Miriam Delphin-Rittmon for Assistant Secretary of Mental Health and Substance Use of the Department of Health and Human Services (HHS) ([Health Payer Specialist](#), April 26).

On April 22, several advocates filed a complaint against HHS and CMS, claiming their approval of the TennCare III program (including the block grant) is not valid under the Administrative Procedure Act. Plaintiffs allege HHS inappropriately relied on evidence and failed to consider other evidence, when approving the 1115 waiver. Further, plaintiffs allege CMS did not provide a proper notice and comment period for TennCare III, nor for TennCare II's amendments, which are building blocks of TennCare III. Plaintiffs are asking the court to vacate HHS' approval of TennCare III and issue an injunction to prevent CMS and HHS from implementing TennCare III ([McCutchen v. Becerra](#), April 22; [Associated Press](#), April 23).

On April 28, President Biden addressed a joint session of Congress for the first time during which he laid out his widespread economic proposals and emphasized the need for a large economic agenda ([The Wall Street Journal](#), April 28).

From April 20 to April 27, CMS approved one 1915(c) Appendix K waiver and seven SPAs, one of which is a COVID-19 disaster relief SPA.

Federal Updates

News

- President Biden has nominated Dr. Miriam Delphin-Rittmon for Assistant Secretary of Mental Health and Substance Use of the Department of HHS. Dr. Delphin-Rittmon recently served as the Commissioner of the Department of Mental Health and Addiction Services in Connecticut and has extensive experience creating preventative services and programs for mental health and substance use. If confirmed, Dr. Delphin-Rittmon will be the second person to serve in the newly created role ([Health Payer Specialist](#), April 26).
- The Biden administration will give ACA navigators \$80 million for the 2022 plan year. The administration continues to bolster the ACA, including boosting subsidies and extending special enrollment through August 2021. Over 12 million people have signed up for an ACA plan during the 2021 open enrollment period, which is a five percent bump from the 2020 open enrollment period. Navigators perform outreach for ACA signups, and are trained to help individuals with coverage decisions, including Medicaid eligibility. The \$80 million is a significant increase from the \$10 million annual awards given to navigators every previous coverage year from 2019 to date ([Fierce Healthcare](#), April 23).

Federal Regulations

- CMS is expected to publish its proposed FY 2022 Hospital Inpatient Prospective Payment System in the Federal Register on May 10. Comments on the proposed rule are due June 28, 2021. The proposed rule contains the following changes to Medicare reimbursement for inpatient hospital services:
 - Eliminate the requirement for providers/hospitals to disclose their median negotiated rates with Medicare Advantage plans (one of several price transparency regulations hospitals oppose).
 - Increase Medicare fee-for-service payments for acute care inpatient hospitals and long-term care hospitals by \$2.5 billion setting rates based on 2019 data due to the pandemic; the figure amount also includes funding for additional medical residency positions.
 - Extend the COVID-19 Treatments Add-on Payment for new COVID-19 treatments until the end of the fiscal year in which the Public Health Emergency (PHE) ends.
 - Permanently reinstate the imputed floor-wage-index provision as finalized in the American Rescue Plan Act (ARPA).
 - Implement new performance measures, make changes to existing ones, and suppress other measures for the Hospital Readmission Reduction Program, Hospital Inpatient Quality Reporting Program, Hospital Value-Based Purchasing Program, Hospital-Acquired Condition Reduction Program, PPS-Exempt Cancer Hospital Reporting Program, and the Long-Term Care Hospital Quality Reporting Program to insulate providers against penalties due to COVID-19.
 - Amend the Medicare Shared Savings Program to allow accountable care organizations in the BASIC track to opt out of advancing to higher level of risk for the 2022 performance ([Federal Register](#), April 27; [Modern Healthcare](#), April 27).

Federal Legislation

- On April 28, President Biden addressed a joint session of Congress for the first time during which he laid out his widespread economic proposals. Biden highlighted the need for a large economic agenda and discussed his new [American Families Plan](#). The plan would establish a national paid-leave for caregivers and create universal preschool programs and two years of free tuition for community colleges. The plan would largely be funded by raising the top income tax from 27% to 39.6%, increasing the capital gain rates from 23.8% to 43.4%, boosting taxes on companies and relying on the Internal Revenue Service

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(IRS) to audit and collect. Biden emphasized the importance of government investment in shaping the economy and discussed his \$2.3 trillion infrastructure package that includes spending on bridges, roads, and broadband internet. The President also called upon Congress to support several priorities including comprehensive immigration policy change, raising the federal minimum wage to \$15 an hour, closing the gender pay gap, strengthening workers' bargaining rights, expanding access to health care, and reducing prescription drug prices. Following a series of recent mass shootings, Biden urged Congress to act on gun control and to pass The [George Floyd Justice in Policing Act](#), which would ban the use of choke hold and no-knock warrants (the legislation currently resides in the Senate).

- Prior to President Biden's speech, lawmakers expressed support for two major health care changes as part of the larger infrastructure plan. First, a group of 17 Democratic senators, led by Sen. Bernie Sanders (I-VT), has asked Biden to lower the Medicare eligibility age and to include hearing, dental, and vision services in the Medicare fee-for-service benefit package. Second, a larger coalition of Democrats would like President Biden to address drug pricing negotiations; however, Rep. Pete Welsh (D-VT) recently stated drug pricing will not be included in the plan ([The Wall Street Journal](#), April 28; [Inside Health Policy](#), April 26; [Politico](#), April 25).
- On April 22, Reps. Judy Chu (D-CA) and Adrian Smith (R-NE) introduced [HR2767](#), the Promoting Effective and Empowering Recovery in Medicare Act of 2021 (PEERS Act). The bill proposes to expand the Medicare benefit to cover peer support specialty services in mental and physical health settings. States that cover peer support services under their Medicaid programs have enjoyed cost savings (up to \$5,494 per person in Georgia). The bill currently sits in the Ways and Means and Energy and Commerce Committees. Lawmakers failed to vote on a similar version of the bill in September 2020 ([Modern Healthcare](#), April 23).
- Senate Democrats recently introduced the Choose Medicare Act, which would create a new Medicare Part E for all employers and individuals on the ACA exchanges. The legislation extends the ACA's tax credits and cost-sharing subsidies, links the subsidies to gold-level plans, caps Medicare out-of-pocket costs, and allows HHS to negotiate drug prices for the Medicare fee schedule. The bill would provide \$2 billion for the development of the Medicare Part E plan, which must cover all essential health benefits required under the ACA and all services covered by Medicare. The bill also includes an additional \$30 billion over five years to help HHS and states create reinsurance programs. The parts of the bill directing HHS to negotiate Medicare prescription drug prices and adding an out-of-pocket cap to Medicare fee-for-service start in 2023. The Congressional Budget Office has yet to score the legislation ([Inside Health Policy](#), April 20).

COVID-19

- HHS will allocate \$145 million in funding from the ARPA to provide support to community-based health care providers, also known as "health center look-alikes," in their COVID-19 pandemic response efforts. These providers typically deliver primary care services to underserved communities and vulnerable populations and usually are not eligible to receive health center grants from HHS ([Modern Healthcare](#), April 19).

Waivers

- Section 1915(c) Appendix K
 - [West Virginia](#)
 - Temporarily increases payment rates for personal attendant services and Intellectual and Development Disability (IDD) waiver direct care staff, service coordination staff, and day services.
 - Temporarily modifies person-centered service plan development process and individuals responsible for person-centered service plan development, including qualifications.

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Amends the application for the IDD, Traumatic Brain Injury, and Aged and Disabled waivers to include the implementation of conflict-free case management. This will apply immediately for new members and existing members that opt into switching to a new case manager; existing members will otherwise be allowed to maintain their current service provider until the risk of COVID-19 has decreased.

SPAs

- Traditional SPAs
 - Florida ([FL-19-0003](#)): Includes the practitioner reimbursement methodology for services outlined in the state plan, including anesthesia, chiropractic, hearing, lab, orthopedic, pain management, radiology, and other services. This SPA has an effective date of December 1, 2019.
 - Florida ([FL-20-0007](#)): Increases reimbursement for Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF-IID). This SPA has an effective date of July 1, 2020.
 - New Hampshire ([NH-21-0002](#)): Revises the nursing facility per diem rate budget adjustment factor. This SPA has an effective date of January 1, 2021.
 - New York ([NY-15-0014](#)): Adds a compensation increase for intermediate care facilities. This SPA has an effective date of January 1, 2015.
 - South Dakota ([SD-21-0002](#)): Extends the Medicaid Recovery Audit Contractor Program exception until May 31, 2023. This SPA has an effective date of June 1, 2021.
 - Texas ([TA-21-0015](#)): Updates the birthing center facility services fee schedule. This SPA has an effective date of March 1, 2021.
- COVID-19 Disaster Relief SPAs
 - Arizona ([AZ-21-0001](#)): Reimburses Indian Health Service (IHS), Tribally-Operated 638 Programs at the outpatient all-inclusive rate for COVID-19 vaccine administration by registered nurses under an individual or standing order. This time-limited COVID-19 response SPA has an effective date of December 1, 2020, and an expiration upon termination of the PHE.

State Updates

- The Iowa Department of Human Services (DHS) has appointed Elizabeth Matney as the state's new Medicaid Director. Matney, who currently serves as a health policy advisor to the Governor, will start her new role on June 1, 2021. She will oversee Iowa's \$5 billion Medicaid managed care program that serves more than 700,000 poor and disabled state residents ([Iowa DHS](#), April 23; [The Gazette](#), April 23).
- The Oklahoma House has advanced a bill that will halt the privatization of the state's Medicaid program. [Senate Bill 131](#) keeps the Medicaid program inside the state government with plans for the Oklahoma Health Care Authority (OHCA) to oversee the program. Governor Kevin Stitt (R) has been driving the transformation of Oklahoma's Medicaid program to a managed care model, and the state awarded contracts to four companies for a managed care program earlier this year totaling \$2 billion starting October 2021. Medicaid expansion in the state will take effect July 1, 2021, with an estimated 200,000 residents becoming eligible. The bill now resides in the state Senate. Governor Stitt has the power of veto should the bill reach his desk, and lawmakers would need three-fourths majority to override the veto ([Public Radio Tulsa](#), April 20).

Private Sector Updates

- Molina Healthcare will acquire Cigna's Medicaid assets in Texas for \$60 million with the deal closing in the second half of this year. As of December 2020, Cigna's Medicaid and Medicare-Medicaid plan assets

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in Texas serve around 50,000 people and accounted for \$1 billion in revenue. Molina continues to aim for growth and expansion through acquisitions across the country ([Fierce Healthcare](#), April 23).

- The University of Michigan recently analyzed 86,000 Blue Cross Blue Shield of Michigan claims from 2016 to 2019 and found patients using telehealth were more likely to receive follow-up care than those who sought in-person care. The study determined more than 10% of telehealth users had an in-person visit the next week, compared to 5.9% of patients who went to the clinic. The study also found the telemedicine cohort had fewer emergency department visits but had more subsequent office, urgent care, and telemedicine visits ([Modern Healthcare](#), April 20).

Sellers Dorsey Updates

- Did you know we have several former Medicaid directors on our staff? Our team includes several former Medicaid directors from across the country who each have a combination of expertise, skills to effect impactful results for clients, and passion for serving vulnerable populations. [Learn more about these former Medicaid directors](#) and how they help our clients address key health care issues.
- In case you missed it, last week Senior Consultant Brian Dees presented the highlights and implications of CMS' decision to rescind approval of Texas' 1115 waiver extension. [Check out the presentation here](#). For more information on the rescission, please contact your Sellers Dorsey representative or reach out to info@sellersdorsey.com.
- Sellers Dorsey is a proud sponsor of the [ADvancing States Spring Meeting](#) on May 4-5. We look forward to hearing about innovative programs state departments of aging and disability have been working on throughout this past year, and learning how we can support each other's efforts.



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