

SELLERS DORSEY DIGEST

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NAVIGATION

Federal Updates

On January 10, HHS Secretary Xavier Becerra directed Medicare officials to revise recommendations for 2022 Medicare Part B premiums due to the recent price cut of Aduhelm.

State Updates

South Dakota's November 2022 ballot will include a measure to expand Medicaid following a successful citizens' petition.

Private Sector Updates

America's Health Insurance Plans is pushing for expanded access to in-home dialysis due to the ongoing COVID-19 pandemic, cost savings, and improved patient outcomes.

Sellers Dorsey Updates

Our team of experts have advised a variety of clients seeking to enhance their presence in the Medicaid market.

Summary of Key Updates

On January 10, the Biden administration announced insurance companies and group health plans will be required to cover the cost of over-the-counter, at-home COVID-19 tests so that individuals with private health insurance can obtain them for free beginning January 15 ([Department of Health and Human Services](#), January 10; [Politico](#), January 10; [Health Payer Specialist](#), January 10).

On January 6, California Senator Ash Kalra (D-San Jose) introduced [ACA 11](#), a constitutional amendment that would fund a single-payer health system in the state. It is anticipated the amendment will progress alongside the current policy bill [CA AB1400 \(21R\)](#), which aims to turn the responsibility for administering and paying for health coverage over to the state government ([Politico](#), January 6).

The Centers for Medicare and Medicaid Services (CMS) proposed a new rule that moves pharmacy price concessions of Medicare Part D drugs to the point of sale to lower the cost of prescription drugs for the consumer. CMS estimates that Medicare beneficiaries will save \$21.3 billion over 10 years ([Politico](#), January 6).

From January 6 to January 12, CMS approved two Section 1915(c) Appendix K waivers and two SPAs, both of which are COVID-19 disaster relief SPAs.

Sellers Dorsey helps clients realize opportunities to enhance lives by delivering high-quality, accessible care to all. We focus on hiring the right talent and subject matter expertise to help achieve our mission of improving health care quality and access for vulnerable populations. [Learn more about our team of leaders](#), which includes several former Medicaid directors from across the country who have the skills to bring impactful results for clients and the passion for serving the Medicaid population.

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Federal Updates

News

- CMS has issued 335 warning notices to hospitals out of compliance with the Hospital Price Transparency regulations established on January 1, 2021. CMS has also issued 98 requests for corrective action plans for hospitals that previously received a warning but did not correct deficiencies that were material violations of the regulations. As of January 7, 2022, 23 of the hospitals that were issued corrective action requests have addressed their citations and received case closure notices from CMS. No civil monetary penalties have been issued to date because the hospitals that were under review are in the process of resolving the violation(s) or have already done so. Any hospital that receives a monetary penalty will be listed on the [Hospital Price Transparency section](#) of the CMS website ([Fierce Healthcare](#), January 7).

Federal Regulation

- On January 10, Health and Human Services (HHS) Secretary Xavier Becerra directed Medicare officials to revise recommendations for Calendar Year 2022 Medicare Part B premiums due to the recent price cut of Aduhelm, an Alzheimer's therapy from Biogen. Last month, Biogen announced plans to cut Aduhelm's annual cost per patient from \$56,000 to \$28,200. Prior to Biogen's announcement, CMS projected Aduhelm coverage would increase Medicare Part B premiums by 15% and cost Medicare \$29 billion per year should the agency choose to cover the drug. CMS recently announced its decision to cover Aduhelm only for Medicare members enrolled in qualifying clinical trials ([Modern Healthcare](#), January 10; [CMS](#), January 11).
- CMS proposed a new rule that moves pharmacy price concessions of Medicare Part D drugs to the point of sale to lower the cost of prescription drugs for the consumer. The rule focuses on concessions that include any fees and rebates that Medicare Part D plan sponsors and their pharmacy benefit managers (PBMs) have in contracts with pharmacies. CMS estimates that Medicare beneficiaries will save \$21.3 billion over 10 years once these concessions are included in the negotiated price of the drug. However, CMS notes that the government will incur a \$40 billion increase in Medicare Part D costs because of the rise in direct subsidies and low-income premium subsidy payments. The National Community Pharmacists Association has endorsed the proposed rule, while the Pharmaceutical Care Management Association, representing PBMs, has opposed it defending their price concessions. Comments on the proposed rule are due March 7 ([Politico](#), January 6).

COVID-19

- On January 10, the Biden administration announced insurance companies and group health plans will be required to cover the cost of over-the-counter, at-home COVID-19 tests so that individuals with private health insurance can obtain them for free beginning January 15. Insurance and health plans are required to cover eight free tests per covered individual per month. There is no limit, however, to the number of tests that are covered if they are ordered by a health care provider following a clinical assessment. Additionally, the administration is incentivizing insurers and health plans to create programs that allow people to get over-the-counter tests directly through preferred pharmacies, retailers, or other entities with no out-of-pocket costs. Insurers and plans will cover the costs upfront, eliminating the need for consumers to submit a reimbursement claim. State Medicaid and CHIP programs are currently required to cover at-home COVID-19 tests without cost-sharing ([HHS](#), January 10; [Politico](#), January 10; [Health Payer Specialist](#), January 10).
- The Supreme Court appears poised to allow the federal government's health care worker COVID-19 vaccine mandate to go into effect after hearing oral arguments on January 7. At issue is CMS' interim final rule from last year that requires Medicare or Medicaid-funded health care facility employees to be vaccinated by January 4, which has now been updated to February 28. The rule ties vaccination

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requirements to Medicare and Medicaid funding, which makes up a large percentage of health care facilities operating budgets. The 25 states appealing the mandate contend CMS does not have the authority to make this sweeping requirement and that the rule will have a devastating effect on rural providers. However, the federal government argues that CMS must protect beneficiaries' health and that restricting payment to providers that meet certain qualifications is a way to do that. The case ultimately rests on whether the mandate creates irreparable harm for health care providers and their staff, and the Supreme Court could issue a final ruling as soon as this week ([Modern Healthcare](#), January 7; [Inside Health Policy](#), January 7; [Inside Health Policy](#), January 6).

- Former members of the Biden-Harris Transition COVID-19 Advisory Board have called for the Biden administration to implement multiple policy recommendations that tackle the pandemic as a long-term endemic disease scenario where COVID-19 is persistent and unlikely to be eradicated in the country. The recommendations essentially create a “new normal” in the American health care system and include the following:
 - Establish an “appropriate risk threshold” of COVID-19 related deaths, hospitalizations, and infections that will allow the health systems to plan ahead for normal bed and workforce capacity and enact surge measures.
 - Strengthen the country’s public health system for future diseases and variants by establishing a modern, real-time electronic data collection system and a permanent public health implementation workforce.
 - Implement measures such as telemedicine waivers or cross-state practice licensure to bring additional medical services to hard-hit regions.
 - Create greater public confidence in health institutions and the value of collective actions.
 - Implement Occupational Safety and Health Administration standards focused on workplace masking, distancing, and ventilation through stronger medical leave policies, direct funding, or tax incentives for ventilation and air filtration system improvements.
 - Create a national initiative to produce and provide N95 or KN95 respirators (rather than cloth or surgical masks).
 - Implement vaccine mandates with a goal of 90% population vaccine coverage.
 - Develop and implement an electronic vaccine certificate platform to replace the current paper card system.
 - Invest in the development of future vaccines, conduct stronger genomic surveillance to adapt those vaccines with future strains, and direct more resources toward boosting global vaccine access and uptake.
 - Increase federal support for COVID-19 therapeutics by accelerating development, production, and procurement of these drugs, and make them widely available at no cost for anyone who tests positive and meets the indications for treatments ([Fierce Healthcare](#), January 7).

Waivers

- Section 1915(c) Appendix K
 - [Alaska](#)
 - Clarifies that the delayed training and employment service provider certification requirements will end six months after the end of the public health emergency (PHE).

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- Colorado
 - Temporarily provides a \$10,000 increase to the Home Modification and Home Accessibility Adaptations service limits using American Rescue Plan Act (ARP) funds.

SPAs

- COVID-19 SPAs
 - Nevada ([NV-21-0019](#), effective April 1, 2021): Implements a short-term supplemental payment under ARP that is paid quarterly based on claims data multiplied by a specified percentage to home and community-based services providers as follows: 15% for Home Health Care, 15% for Personal Care (with an additional rural rate differential of 14%, for a total of 29%), and 15% for Adult Day and Adult Day Health Care. This time-limited COVID-19 SPA terminates at the end of the PHE.
 - Oklahoma ([OK-21-0046](#), effective August 30, 2021): Establishes coverage and reimbursement for all FDA authorized self-collected COVID-19 tests inclusive of those requiring laboratory processing.

State Updates

- In December 2021, CMS approved the California proposal to expand Medicaid options that allow Medicaid funding to be spent on housing-related services for the homeless population. Basic MediCal benefits will not change, but beneficiaries can choose to include a care coordinator who will help connect them to social assistance services, including housing providers. The extension also funds preventative care initiatives such as housing transition services. The housing crisis is a large concern in California with around 162,000 residents experiencing homelessness on average. In addition to housing, the extension covers care for Indigenous groups and formerly out-of-state foster care children ([Inside Health Policy](#), January 6).
- South Dakota's November 2022 ballot will include a measure to expand Medicaid following a successful citizens' petition. Should it pass, the proposed measure would extend Medicaid eligibility to over 40,000 uninsured South Dakotans, nearly five percent of the state's population, beginning July 1, 2023, by creating a new constitutional amendment, preventing state legislators from revising or narrowing the conditions of the expansion. However, a separate measure introduced by lawmakers on the June 2022 ballot would require a supermajority of at least 60% of the vote to pass ballot measures appropriating \$10 million or more in state funds, which would apply to the Medicaid expansion ballot measure should it pass ([Inside Health Policy](#), January 5).
- The state of New Hampshire and Centene have reached a \$21.1 million settlement over the latter's inaccurate reporting of pharmacy benefit services cost. The state started investigating the company and its costs reporting after similar investigations by other states became public. Centene manages one of the three health plans in New Hampshire's Medicaid Care Management Program. The company operates NH Healthy Families Inc., a managed care plan in the state ([Modern Healthcare](#), January 7).
- On January 6, California Senator Ash Kalra (D-San Jose) introduced [ACA 11](#), a constitutional amendment that would fund a single-payer health system in the state. It is anticipated this amendment will progress alongside the current policy bill [CA AB1400 \(21R\)](#), which aims to turn the responsibility for administering and paying for health coverage over to the state government. ACA 11 would build on that goal by funding the new payment structure through tax increases on both businesses and personal income. At this time, there is no price tag listed on the policy bill or amendment, but the California Business Roundtable estimates a tax increase of \$163 billion per year. The proposal faces strong opposition from the California Medical Association, the California Hospital Association, and the California Association of Health Plans, citing the cost to taxpayers in an already expensive state ([Politico](#), January 6).

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Private Sector Updates

- The Mayo Clinic has terminated approximately one percent of its 73,000 employees for not abiding by the health system's COVID-19 vaccination requirement. The Mayo Clinic first announced its vaccine mandate in July 2021 and gave employees until January 3 to receive at least one COVID-19 vaccine dose and accepted most requests for medical and religious exemptions. The percentage of employees terminated is similar to that of other health systems that have imposed vaccine mandates ([Modern Healthcare](#), January 5).
- America's Health Insurance Plans (AHIP) is pushing for expanded access to in-home dialysis due to the ongoing COVID-19 pandemic, cost savings, and improved patient outcomes. AHIP recently joined the Innovate Kidney Care campaign, which partners with payers and industry leaders to remove patient barriers to self-dialysis at home. According to data from 2019, 12.6% of dialysis patients received their treatments at home, compared to 6.8% of patients in 2009. The at-home treatment rate for those who have been on dialysis for over one year has steadily increased by 18.2%. However, significant barriers to accessing hemodialysis at home remain due to the bulky, complex machinery needed for the procedure ([Health Payer Specialist](#), January 10).

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- Our team of experts have advised managed care organizations, private equity firms, vendors, provider groups, health information technology companies, and others seeking to enhance their presence in the Medicaid market. We come up with creative and tailored solutions for our clients to meet their goals. [Learn more about our Medicaid market advisory services](#) we offer and how our experts help clients achieve impact in Medicaid.



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