



Summary of Key Updates

On February 7, the House Appropriations Committee released legislation for a short-term continuing resolution to avert a government shutdown by February 18. The bill will give Congress additional time to work on a larger omnibus package ([Fierce Healthcare](#), February 7).

According to an [analysis](#) conducted by the Urban Institute, an estimated 15 million people, including six million children, could lose their health coverage once the public health emergency (PHE) ends as states start the redetermination process for all their Medicaid beneficiaries ([Politico](#), February 2).

On February 4, the U.S. Department of Labor's [January 2022 Jobs Report](#) indicated the U.S. economy added 467,000 jobs in January and the unemployment rate remained unchanged from December 2021 at four percent. The strong economic outlook reflected in the Jobs Report, a 5.7% annual increase in wages, and inflation concerns indicate the Federal Reserve is on track to raise interest rates this March ([The Hill](#), February 4).

From February 3 to February 9, CMS approved two Section 1915(c) Appendix K waivers and two SPAs, both of which are COVID-19 disaster relief SPAs.

Sellers Dorsey is proud to sponsor the Insure the Uninsured Project's 2022 Conference. Our team has been virtually attending this week and compelled by the industry experts on ideas and solutions for improving access to care and advancing health equity in California. If you'd like to connect with us and learn about how Sellers Dorsey is working toward increasing health care access, [contact us here](#).

Federal Updates

According to a federal survey released on February 2, telehealth usage was similar across demographic groups, but Black, Latino, and Asian adults were more likely to use audio telehealth services instead of video.

State Updates

The Georgia state Senate unanimously voted to increase Medicaid postpartum coverage from six months to one year to address the state's high maternal mortality rate.

Private Sector Updates

Trillium Community Health Plan, an Oregon-based Medicaid managed care organization, will fund its own mental health crisis first response team in efforts to prevent costly visits to hospital emergency rooms.

Sellers Dorsey Updates

Check out our most recent Staff Spotlight Q&A with Marisa Luera, Associate Director, who uses her 20+ years of experience and expertise in Medicaid policy and managed care to support clients across the country.

FEDERAL UPDATES

News

- In a January 25 [letter](#) penned to the Department of Health and Human Services (HHS), 11 mental health provider associations assert that a provision in the No Surprises Act creates unnecessary burdens in providing mental health diagnoses and treatments. Although the associations agree that patients should not be “blindsided” by bills, they request an exemption from a provision requiring “good faith” estimates for routine mental and behavioral health services which mandates practitioners to give patients a diagnosis, detailed upfront cost estimates within a margin of \$400, and information about the length of a typical course of treatment or face challenges to the bills in arbitration from uninsured and self-pay patients. The associations’ provider groups contend that this provision is inappropriate for mental health care due to the dynamic nature of diagnoses and treatment and that providing patients with a tally of months’ worth of treatment costs could discourage some patients from undergoing care. HHS has not yet released rules related to good faith estimates for patients with health coverage, but the mental health provider associations worry that insurers will use up-front estimates to limit treatment for insured patients or influence provider pay negotiations ([Fierce Healthcare](#), February 7).

Federal Legislation

- On February 7, the House Appropriations Committee released legislation for a short-term continuing resolution to avert a government shutdown by February 18. The short-term spending bill will give Congress additional time to work on a larger omnibus package. The legislation extends the enhanced federal matching rate for Medicaid funding for certain territories through March 11. However, it does not include any policies that provider groups have been lobbying for such as the two percent Medicare sequester moratorium to be extended through the PHE, or for telehealth use to be made permanent beyond the PHE. Provider and hospital groups now have another month to make their case to lawmakers regarding these policy issues ([Fierce Healthcare](#), February 7).

COVID-19

- Many health care experts have expressed concern about state Medicaid and CHIP managed care organizations setting their own reimbursement policies for over-the-counter COVID-19 tests rather than CMS imposing a national standard. While CMS announced it would cover up to eight tests for Medicare enrollees at no cost, CMS does not require Medicaid and CHIP plans to cover a certain amount of tests and lets the state determine the amount of test coverage, which is resulting in substantial variation across the country ([Inside Health Policy](#), February 7).
- The Centers for Disease Control and Prevention (CDC) will review its guidance to now allow moderately to severely immunocompromised individuals to receive a booster dose of an mRNA vaccine (Pfizer and Moderna) three months after the initial sequence, rather than at the five-month mark as currently approved. This new guidance will conflict with the Food and Drug Administration’s (FDA’s) existing timeline, but the CDC and FDA are working together to find the best option to move forward while legally permitting the CDC to make changes to clinical considerations ([Inside Health Policy](#), February 4).
- On February 4, the CDC released new guidelines for Spikevax, the second COVID-19 vaccine to be fully approved in the United States. CDC recommends Spikevax should only be administered to people ages 18 and older. Spikevax has the same formulation as, and can be used interchangeably with, the Moderna’s COVID-19 vaccine that has emergency use authorization ([Inside Health Policy](#), February 4).

Studies and Reports

- A [Health Affairs study](#) found disparities among race, ethnicity, and socioeconomic factors in the use of high-quality home health services for Medicare beneficiaries. Residential segregation and location drove this inequity, with providers less likely to serve predominantly Black, Hispanic, and disadvantaged neighborhoods. Furthermore, 40%–77% of all disparities in the use of home health agencies were attributable to neighborhood-level causes. To ensure equitable access for all beneficiaries, the study

recommended policymakers continue efforts to dismantle structural and institutional drivers of racism and find ways to incentivize providers to serve in vulnerable and underserved areas ([Fierce Healthcare](#), February 8).

- On February 4, the U.S. Department of Labor's [January 2022 Jobs Report](#) indicated the U.S. economy added 467,000 jobs in January and the unemployment rate remained unchanged from December 2021 at four percent. The job gains come despite a surge in COVID-19 cases driven by the omicron variant, to which the Department of Labor attributes 3.6 million Americans having missed work due to illness and an additional 6 million Americans having missed work due to employer closures and reduced business. The Department of Labor revised the November and December Jobs Report, adding a total of 709,000 more jobs than previously reported. The strong economic outlook reflected in the Jobs Report, a 5.7% annual increase in wages, and inflation concerns indicate the Federal Reserve is on track to raise interest rates this March ([The Hill](#), February 4).
- According to a [federal survey](#) released on February 2, telehealth usage was similar across demographic groups, and Black, Latino, and Asian adults were more likely to use audio telehealth services instead of video. This analysis, based on a Census Bureau survey of 675,000 adults between April and October 2021, highlights equity issues that providers, health plans, and other advocates have raised as Congress considers next steps for telehealth expansion. The survey, released by HHS, demonstrates the need for nationwide investment in internet access, video-enabled devices, and culturally competent care ([Modern Healthcare](#), February 2).
- According to an [analysis](#) conducted by the Urban Institute, an estimated 15 million people, including 6 million children, could lose their health coverage once the PHE ends as states start the redetermination process for all their Medicaid beneficiaries. The PHE bars states from disenrolling beneficiaries from Medicaid in exchange for additional federal funding from Congress. However, many state Medicaid, welfare, and health insurance exchange agencies have urged the Biden administration to set a firm date for redetermination rather than tying it with the end of the PHE. HHS extended the PHE through April 15, but it will likely expire once COVID-19 cases decline and vaccinations increase ([Politico](#), February 2).

STATE UPDATES

Waivers

- Section 1115
 - On January 25, North Carolina submitted a [request](#) to amend its Section 1115(a) demonstration, titled "North Carolina Medicaid Reform Demonstration." The state seeks to extend the end date of the demonstration to allow for a full five-year waiver period, adjust the coverage approach under the Behavioral Health/Intellectual and Developmental Disabilities Tailored Plans, modify implementation of the Healthy Opportunity Pilots, and exclude the COVID-19 testing group from mandatory managed care. CMS will accept public comments through March 4.
- Section 1915(c) Appendix K
 - [Arkansas](#)
 - Temporarily increases the point-in-time limit and the annual cap on the unduplicated number of participants allotted to the Community and Employment Supports (CES) Waiver.
 - Temporarily allows a training alternative to the current work requirements for direct support professionals working under the CES Waiver.
 - Extends Appendix K end dates for both the CES Waiver and the Autism Waiver through July 1.
 - [New York](#)
 - Temporarily increases rates for home- and community-based services provided under the Children's Waiver using American Rescue Plan Act funds.

SPAs

- COVID-19 SPAs
 - Massachusetts ([MA-21-0001-A](#), effective January 1, 2021): Rescinds the temporary rate increase for certain behavioral health services. This time-limited COVID-19 SPA terminates at the end of the PHE.
 - Minnesota ([MN-22-0012](#), effective March 1, 2020): Establishes a new threshold for determining when to seek recovery of reimbursement from a liable third party for COVID-19 testing and associated laboratory services administered through public health agencies. This time-limited COVID-19 SPA terminates at the end of the PHE.

News

- The Georgia state Senate unanimously voted to increase Medicaid postpartum coverage from six months to one year to address the state's high maternal mortality rate. Senate Bill 338, which provides this 12-month postpartum coverage, will go to the General Assembly for approval. If the bill passes, Georgia would be one of more than 10 states that have passed legislation to extend postpartum coverage ([Georgia Health News](#), February 7).
- The California Governor's administration negotiated a Medicaid contract with Kaiser Permanente, the state's largest Medi-Cal managed care organization (MCO), that allows Kaiser Permanente to expand its Medicaid managed care program statewide and limit enrollment primarily to its previous enrollees. Pending legislative approval, the five-year contract, expected to begin in 2024, caused an uproar among executives of other MCOs in Medi-Cal who were extremely critical of the deal. The special contract exempts Kaiser Permanente from the new statewide MCO procurement process ([Los Angeles Times](#), February 6).
- The Center for American Progress published a [study](#) reviewing the components of North Carolina's section 1115 demonstration waiver that target and address social determinants of health (SDoH). Under the waiver, the Healthy Opportunity Pilots program integrates a standardized screening process, a referral and feedback system, care management, and enhanced programming within Medicaid and builds on existing infrastructure in coordinated care and social services. The North Carolina Department of Health and Human Services will evaluate the program and hopes to find an effective delivery of pilot services that will ultimately improve health outcomes and lower health care costs. The state will receive \$650 million in federal Medicaid funds over the next five years for the program, \$100 million of which will be used for capacity building ([Center for American Progress](#), February 3).
- On February 2, Governor Pritzker (D-IL) released a \$45.3 billion proposed [FY 2023 budget](#) that includes more than \$710 million to strengthen the health care industry and support the employee shortage triggered by the COVID-19 pandemic. The key funding targets include the following:
 - \$180 million to preserve and grow the state's health care workforce.
 - \$500 million for nursing home support.
 - \$25 million to create a health care workforce pipeline.
 - \$2 million increase for the Nursing Education Scholarship Program.
 - \$4 million to expand Get Covered Illinois.
 - \$10 million to fill 175 assisted-living and nursing home staff including epidemiologists and infectious disease specialists ([Modern Healthcare](#), February 2).

To learn more about the budgets proposed by each governor, keep an eye out for our Special Edition of the Digest that will include a state-by-state breakdown.

PRIVATE SECTOR UPDATES

Providers

- The COVID-19 pandemic continues to strain hospitals around the country, and hospital leaders are getting more desperate to staff their facilities. The fact that many larger hospitals and health systems have started to attract workers with signing bonuses and the coverage of moving expenses is leaving smaller, rural hospitals unable to compete. This shortage could result in the need for some smaller hospitals to limit available services or close permanently, which would negatively affect the patients, providers, and economies of rural communities. In 2020 alone, 19 rural hospitals were forced to close ([Modern Healthcare](#), February 7).
- According to [research](#) done by the University of Minnesota and the University of Massachusetts, health entities employ more Black women than any other industry and play a crucial role in undoing racial and gender inequities. Using census data, the researchers found Black women make up 6.9% of the labor force and 13.7% of the health care workforce but are usually concentrated in lower-level positions and in long-term care facilities. Higher reimbursement to long-term care facilities and home health providers would enable wage raises, career advancement opportunities, and investment in programs to address gender and racial norms in the health care workplace ([Modern Healthcare](#), February 7).

Insurers and Vendors

- A basic-income pilot program in San Francisco yielded larger-than-expected gains in improving participants' SDoH. Miracle Messages, a nonprofit organization that serves individuals experiencing homelessness, provided nine unhoused individuals with weekly wellness check-ins by phone and \$500 per month for six months, with the expectation that the funds would reduce participants' food insecurity. Two-thirds of program participants ultimately used the cash to find housing. Similar basic-income strategies are being implemented in pilot programs across the U.S., and insurers are increasingly investing in affordable housing to improve SDoH and ultimately lower health care costs ([Fast Company](#), February 2; [Health Payer Specialist](#), February 7).
- Trillium Community Health Plan, an Oregon-based Medicaid MCO owned by Centene, will fund its own mental health crisis first response team in efforts to prevent costly visits to hospital emergency rooms. The MCO will provide \$200,000 per year to the White Bird Clinic in Eugene, Oregon to support its CAHOOTS (Crisis Assistance Helping Out on the Streets) program, which uses de-escalation and treatment strategies to respond to calls of individuals experiencing a mental health crisis in lieu of relying on law enforcement to respond to such calls. The MCO will also pay White Bird a per-member per-month fee to extend the CAHOOTS program to enrollees residing in Lane County, where White Bird is located ([Health Payer Specialist](#), February 7).

SELLERS DORSEY UPDATES

- In case you missed it, check out our latest Medicaid Matters blog post [How Equity-Driven Medicaid Financing Programs Improve Population Health](#). Health care entities are increasingly adopting Medicaid value-based payment approaches and are beginning to incorporate equity-focused Medicaid supplemental funding to reduce health disparities. Medicaid supplemental payment programs are designed to improve outcomes and align with specific population health goals. Read about how industry experts are rethinking how they set goals for the use of supplemental funding.
- Sellers Dorsey is proud to sponsor the Insure the Uninsured Project's 2022 Conference. Our team has been virtually attending this week and compelled by the industry experts on ideas and solutions for improving access to care and advancing health equity in California. If you'd like to connect with us and learn about how Sellers Dorsey is working toward increasing health care access, [contact us here](#).

