

Summary of Key Updates

A federal judge in the U.S. District Court for the District of Columbia struck down the Trump-era rule that required drug companies to include copay assistance, such as coupons or other cost-sharing mechanisms, into Medicaid rebates ([Fierce Healthcare](#), May 19).

The enhanced health insurance premium subsidies enacted through last year's American Rescue Plan (ARP) are set to expire at the end of the year, hiking insurance rates for an estimated 13 million Americans in 2023. Lawmakers in Congress are working to pass a reconciliation bill to extend the enhanced subsidies before July 4 ([Yahoo News](#), May 20).

Julie Beckett, a passionate advocate for children with special needs who fought for her daughter to live at home instead of a hospital, passed away on May 13 at age 72 ([The Gazette](#), May 18).

The Centers for Disease Control and Prevention (CDC) is recommending Pfizer COVID-19 booster shots for children ages 5 to 11 as infections are on the rise across the country ([CNBC](#), May 19).

Rhode Island announced it has stopped the ongoing bidding process for the state's \$7 billion Medicaid managed care contract and will restart the bidding process ([Health Payer Specialist](#), May 19).

From May 17 to May 25, CMS approved one Appendix K waiver and 12 SPAs, three of which are COVID-19 disaster relief SPAs.

Preservation of funding is about protecting access, and being proactive reduces uncertainty for providers and allows them to operate reliably. These are just some of the lessons learned from COVID-19 SPAs. As health care providers plan for the end of the PHE, it's time to reflect on lessons learned about preserving Medicaid funding during the pandemic. [Read more here.](#)

Federal Updates

Officials with the think tank Center on Budget and Policy Priorities contend Medicaid managed care plans need to coordinate with state officials to ensure beneficiaries continue to get care after the public health emergency ends.

State Updates

Virginia's reinsurance program is the latest to earn federal approval. The reinsurance program is expected to decrease premiums by an average of 15.6% in 2023.

Private Sector Updates

According to ratings agency AM Best, insurers will continue to pursue vertical integration despite mounting antitrust scrutiny.

Sellers Dorsey Updates

In case you missed it, we recently interviewed Senior Vice President Brian McGuckin on his successes at Sellers Dorsey.

FEDERAL UPDATES

News

- The enhanced health insurance premium subsidies enacted through last year's ARP are set to expire at the end of the year, hiking insurance rates for an estimated 13 million Americans in 2023. Those affected would receive notices about their premium increases in October, just before the November midterm elections. Lawmakers in Congress are working to pass a reconciliation bill to extend the enhanced subsidies before July 4, the date at which insurers will begin locking in next year's rate hikes, but political opposition to subsidy extension in the Senate spells an uncertain future for the ARP's health care spending provisions ([Yahoo News](#), May 20).
- On May 25, 12pm ET, the Centers for Medicare and Medicaid Services (CMS) will host the first in a monthly series of webinars to assist stakeholders in the Medicaid and CHIP redetermination process tied to the termination of the public health emergency (PHE). The first webinar will focus on Medicaid continuous coverage requirements and consumer engagement with state Medicaid and CHIP agencies. Those interested in attending the webinar can [register online](#) ([Inside Health Policy](#), May 18).
- Officials with the think tank Center on Budget and Policy Priorities contend Medicaid managed care plans need to coordinate with state officials to ensure beneficiaries continue to get care after the PHE ends. States can rely on Medicaid managed care plans to assist with outreach to enrollees and relay information on how to reapply for coverage. States can increase the rate of automatic renewal and options for people to renew but need to be sure they have the correct contact information. Therefore, states need to prepare their staff, infrastructure, and processes to prepare for redetermination. CMS is giving states 12 months to begin redeterminations starting the month after the PHE ends ([Fierce Healthcare](#), May 19).
- Julie Beckett, an advocate who fought against administrative barriers in the 1980s that prevented her from caring for her disabled daughter at home, passed away on May 13 at age 72. Julie and her daughter's case eventually made its way to Congress and the White House, resulting in the creation of the Katie Beckett Waiver, which allows individuals with disabilities to use Medicaid funding to receive health care while living at home or in the community. Policymakers and disability rights advocates say Beckett was instrumental in bringing fundamental changes to the federal Medicaid program that improved the lives of hundreds of thousands of families nationwide. She was a driving force behind the Family Opportunity Act, founded the national nonprofit Family Voices, and helped establish Family-to-Family Health Information Centers. Julie Beckett was a passionate advocate and leader for children with special health care needs and disabilities ([The Gazette](#), May 18).

Federal Litigation

- A federal judge in the U.S. District Court for the District of Columbia struck down the Trump-era rule that required drug companies to include copay assistance, such as coupons or other cost-sharing mechanisms, into Medicaid rebates. Drug companies initially agreed to offer rebates to get their drugs covered by the Medicaid program. These rebates were expected to be 23.1% of the brand name drug price and 13% of the generic drug price. The judge's ruling is a big win for the Pharmaceutical Research and Manufacturers of America (PhRMA) and may contribute to further increases in prescription drug costs ([Fierce Healthcare](#), May 19).
- The American Hospital Association (AHA) is encouraging the Justice Department to perform additional False Claims Act investigations of Medicare Advantage (MA) insurers who have repeatedly refused to approve access to services and payments to providers through prior authorization. This request comes after a federal investigation concluded MA plans have previously used prior authorization to deny members access to medically necessary care. AHA also urged CMS for more oversight when it comes to MA and requested a meeting to fix the prior authorization issues that exist within MA plans ([Modern Healthcare](#), May 20).

COVID-19

- The CDC is recommending Pfizer COVID-19 booster shots for children ages 5 to 11 as infections are on the rise across the country, and immunity from previous doses wanes. After reviewing and discussing data in a five-hour public meeting, the CDC's panel of independent vaccine experts overwhelmingly voted in favor of boosters for this age group. According to CDC data, children ages 5 to 11 have been hospitalized at higher rates during the omicron wave than at any other point of the pandemic. Public health officials are concerned about children developing long-term health conditions such as long COVID-19 or multisystem inflammatory syndrome. The U.S. is currently reporting over 99,000 new infections a day on average with over 3,000 infected people admitted to the hospital each day ([CNBC](#), May 19).

Studies and Reports

- A FAIR Health [study](#) found most people diagnosed with long COVID-19 were never hospitalized. Researchers reviewed a sample of 78,000 patients with private insurance who were diagnosed with long COVID-19 and determined that 75.8% of all patients were never admitted to a hospital. Of the patients who were not hospitalized, 81.5% were women, and 67.5% were men. The study did not include public insurer claims from Medicare and Medicaid. Initially, researchers were unable to track long COVID-19 because there was not an International Classification of Diseases (ICD) code, but on October 1, 2021, an ICD-10 code, U09.0, was introduced. In March, the U.S. Government Accountability Office (GAO) estimated 7.7 million to 23 million Americans could have developed long COVID-19. As a result, researchers expect to continue studying long COVID-19 and its effects on the population ([Modern Healthcare](#), May 20).

STATE UPDATES

Waivers

- Section 1115
 - On May 4, Texas submitted an [amendment](#) to the Texas Healthcare Transformation and Quality Improvement Program (THTQIP) Section 1115(a) demonstration waiver. The state requests to deliver the Case Management for Children and Pregnant Women benefit through the Medicaid managed care delivery system instead of fee-for-service. CMS will accept public comments through June 15.
- Section 1915(c) Appendix K
 - [California](#)
 - Increases per diem rates for Intermediate Care Facilities for Individuals with Developmental Disabilities-Continuous Nursing Care (ICF/DD-CNC) ventilator-dependent non-ventilator-dependent services offered under the Home and Community-Based Alternatives Waiver.

SPAs

- Administrative SPAs
 - Oklahoma ([OK-22-0024](#), effective April 1, 2022): Amends the state plan to include an exemption from the recovery audit contract (RAC) requirement.
- COVID-19 SPAs
 - Colorado ([CO-22-0012](#), effective March 1, 2022): Increases COVID-19 vaccine booster reimbursement to \$61.77 and an additional \$35 for vaccine administration within a member's home or residence. This time-limited COVID-19 SPA terminates at the end of the PHE.
 - Iowa ([IA-20-0018](#), effective August 31, 2021): Expands home-based habilitation to include health and safety supports and services required to maintain a member's involvement in online education or e-learning, specifically for members ages 17-21 residing outside of the family home. This time-limited COVID-19 SPA terminates at the end of the PHE.

- Massachusetts ([MA-21-0034](#), effective July 1, 2021): Adds temporary rate increases for various providers in accordance with Massachusetts' approved Initial Spending Plan for HCBS under the ARP 2021. This time-limited COVID-19 SPA terminates at the end of the PHE.
- Eligibility SPAs
 - Wisconsin ([WI-22-0008](#), effective January 1, 2022): Adjusts the allowable home maintenance amount for institutionalized beneficiaries based on the 5.9% cost of living adjustment.
- Payment SPAs
 - Pennsylvania ([PA-22-0002](#), effective February 13, 2022): Reauthorizes and continues a series of additional classes of disproportionate share hospital (DSH) payments for qualifying acute care general hospitals.
 - Pennsylvania ([PA-22-0008](#), effective January 9, 2022): Reauthorizes and continues supplemental payments to qualifying nursing facilities located in a county of the first class.
 - Pennsylvania ([PA-22-0009](#), effective January 9, 2022): Authorizes supplemental payments to qualifying nursing facilities providing ventilator and tracheostomy care.
 - Pennsylvania ([PA-22-0010](#), effective January 9, 2022): Authorizes supplemental payments to qualifying non-public nursing facilities in a county of the eighth class.
- Service SPAs
 - Louisiana ([LA-22-0003](#), effective February 12, 2022): Implements coverage of community health workers (CHW) services to address health related chronic diseases.
 - Rhode Island ([RI-21-0012](#), effective July 1, 2021): Adds coverage of certified CHW services that provide health promotion and coaching, health education and training, health system navigation, resource coordination services, and care planning.
 - Vermont ([VT-19-0003](#), effective January 1, 2019): Aligns substance use disorder state plan services with the approved alternative benefit plan.

News

- Rhode Island has stopped the ongoing bidding process for the state's \$7 billion Medicaid managed care contract and will start over. The state's Department of Administration cites federal Medicaid program policy changes as the reason for scrapping the current process and starting over. Commonwealth Care Alliance, Neighborhood Health Plan of Rhode Island, Molina Healthcare, and United Healthcare all submitted their bids and will now have to repeat the process ([Health Payer Specialist](#), May 19).
- Virginia's reinsurance program is the latest to earn federal approval. The reinsurance program is expected to decrease premiums by an average of 15.6% in 2023, with individual market enrollment anticipated to increase by 2.9%. There will be a 70% coinsurance rate, and the program will reimburse market insurers for claims between \$40,000 and \$155,000. With Virginia receiving less in federal tax credits, the state will be paid the difference to assist in the funding of the reinsurance program. The reinsurance program runs through 2027 through a 1332 waiver and can be extended ([Modern Healthcare](#), May 19).

PRIVATE SECTOR UPDATES

- According to ratings agency AM Best, insurers will continue to pursue vertical integration despite mounting antitrust scrutiny. AM Best cites payers' acquisitions of urgent care centers, home health agencies, and pharmacy benefit managers as successful vertical integration undertakings, and it posits that telemedicine companies will be the next target market for acquisitions ([Health Payer Specialist](#), May 20).
- The American Medical Association (AMA), Brigham and Women's Hospital, and the Joint Commission are launching a new network designed to teach health systems how to incorporate equity into care delivery. Advancing Equity through Quality and Safety Peer Network, the year-long mentorship and networking initiative, will be piloted by eight hospitals and health systems. The initiative is meant to improve health

outcomes for marginalized patient populations and work toward racial justice for staff and communities. The program uses a framework designed by Brigham and Women's and the Institute for Healthcare Improvement, where systems will attend individual consultations and group learning sessions headed by an 11-person panel of experts. The first cohort of participating systems includes Atlantic Medical Group, Children's Hospital of Philadelphia, Dana-Farber Cancer Institute, University of Iowa Hospitals and Clinics, Ochsner Medical Center, the University of Texas MD Anderson Cancer Center and University of Wisconsin Hospitals and Clinics ([Fierce Healthcare](#), May 20; [Modern Healthcare](#), May 19).

SELLERS DORSEY UPDATES

- Preservation of funding is about protecting access, and being proactive reduces uncertainty for providers and allows them to operate reliably. These are just some of the lessons learned from COVID-19 SPAs. As health care providers plan for the end of the PHE, it's time to reflect on lessons learned about preserving Medicaid funding during the pandemic. [Read more here.](#)
- In case you missed it, we recently interviewed Senior Vice President Brian McGuckin on his successes at Sellers Dorsey. [Learn more about Brian and the impactful work he and his team do.](#)
- Know someone in your network who is looking for an exciting new career opportunity? [Have them connect with us.](#) We are hiring for experienced and self-motivated professionals to join our growing, talented team. We are seeking technical writers, consultants, sales support staff, and more.

