

McDermottPlus Check-Up: October 23, 2020

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This Week's Dose

Further coronavirus (COVID-19) relief negotiations continue to sputter along with low likelihood of an agreement before Election Day.

Congress

COVID-19 Relief Updates.

Senate Republicans attempted to vote this week on a targeted, \$500 billion COVID-19 relief bill. Democrats, however, blocked the measure from advancing, saying it does not go far enough. Meanwhile, Treasury Secretary Steven Mnuchin and House Speaker Nancy Pelosi (D-CA) continued talks of a broader deal; at this juncture, it is unlikely that the White House and House Democrats can reach a compromise before Election Day. Further action on COVID-19 relief will likely be pushed to the post-election session, or possibly into 2021, depending on how the election results shape the legislative environment.

Administration

CMS Delayed Radiation Oncology Model.

Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma [announced](#) that the agency will delay the recently announced [Radiation Oncology Model](#) after the provider community pressed for additional implementation time before the scheduled January 1, 2021, start date. The mandatory model seeks to test whether making prospective episode payments to hospital outpatient departments, freestanding radiation therapy centers and physician group practices for radiation therapy episodes of care preserves or enhances the quality of care furnished to Medicare beneficiaries while reducing Medicare program spending through enhanced financial accountability

for participants. Implementation is now set to begin July 1, 2021.

HHS Updated PRF Reporting Requirements and Expanded Phase 3 Eligibility.

In response to [concerns](#) raised by stakeholders and Members of Congress, the Department of Health and Human Services (HHS) [updated](#) its Provider Relief Fund (PRF) reporting guidance. [The updated guidance](#) includes two notable changes. First, the new guidance provides that for General Distribution payments, a parent entity can report on and direct use of the General Distribution payments provided that certain criteria are met (i.e., the parent has providers that were providing patient care on or after January 1, 2020, and can attest to the Terms and Conditions). Second, the guidance removes the language that defined lost revenue as a change in year over year net operating income. The guidance now compares 2019 patient care revenue to 2020 patient care revenue. Both changes represent a significant shift from the September 19, 2020, reporting guidance, which many providers may view as an improvement. In the same announcement, HHS broadened the list of eligible providers for the Phase 3 General Distribution to include providers that do not accept Medicare or Medicaid. The Phase 3 application portal opened October 5, 2020, and will remain open until November 6, 2020. As a reminder, HHS has said that if approved, providers will receive a baseline payment of approximately 2% of annual revenue from patient care plus an add-on payment that considers changes in operating revenues and expenses from patient care, including expenses incurred related to COVID-19.

States

CMS Approved Nebraska 1115 Waiver.

The Section 1115 [waiver](#) offers enhanced Medicaid benefits to certain expansion beneficiaries beginning April 1, 2021. As background, Nebraska expanded Medicaid for this population on August 1, 2020, with coverage beginning October 1, 2020. What is unique about the Nebraska expansion is that it includes “Basic” and “Prime” benefits. Through this newly approved Medicaid waiver, expansion beneficiaries under the Prime benefit package can receive access to optometrist services, eyeglasses, dental, dentures and over the counter medications. To be eligible for the Prime benefits, a beneficiary must complete certain wellness activities, like an annual health visit, and certain “personal responsibly measures,” such as work or community engagement activities. This approval comes on the heels of approval for Georgia’s work requirement and partial Medicaid expansion 1115 [waiver](#). If there is a second term for the Trump Administration, expect the trend of Medicaid waivers to continue.

Quick Hits

- The House Ways and Means Oversight Subcommittee held a [hearing](#) on maximizing health coverage enrollment.
- The Senate Judiciary Committee approved the US Supreme Court nomination of Judge Amy Coney Barrett, advancing consideration to the full Senate, which is expected to vote on October 26.
- Energy and Commerce Committee Chairman Frank Pallone (D-NJ), Ways and Means Committee Chairman Richard Neal (D-MA) and Senate Finance Committee Ranking Member Ron Wyden (D-OR) sent a [letter](#) calling on HHS to release documents related to the Administration’s proposal to distribute \$200 drug discount cards to Medicare beneficiaries.

The letter follows [reports](#) that the HHS General Counsel raised concerns about the proposal's legality.

- A bipartisan group of 229 House members sent a [letter](#) urging Speaker Pelosi and House Minority Leader Kevin McCarthy (R-CA) to address pay cuts to certain specialty providers that were included in this year's [Medicare Physician Fee Schedule proposed rule](#).
- CMS [released](#) a report on premiums and participation in HealthCare.gov for plan year 2021. The report shows that premiums are down 2% from 2020, and 22 additional health plans are joining the market.
- CMS published [frequently asked questions](#) on the Community Health Access and Rural Transformation Model.
- A federal appeals court rejected requests to review two previous decisions that upheld Administration policies cutting Medicare reimbursement for 340B covered entities and off-site hospital clinics.
- Follow our [Special Election Coverage](#) page for all our analysis related to the election and its health policy implications.

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