

# McDermottPlus Check-Up: Medicare Finances Report & CMS Directors: Sept 3, 2021

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## This Week's Dose

The House begins markups. Trustees release annual report on the state of Medicare finances. Centers for Medicare and Medicaid Services (CMS) taps leaders for consumer insurance, dental and program integrity.

## Congress

**House Committees Began Legislative Markups for Reconciliation.** The Oversight Committee and Natural Resources Committee kicked off the markup sprint this week, which the House aims to complete by September 15. While Oversight completed its markup, Natural Resources will continue into next week with some 140 amendments still pending consideration. Expect to see similarly long markups when the health provisions are on tap. Key committees of jurisdiction for healthcare-related items are scheduled for markups in the coming weeks, with Education and Labor on September 9, Energy and Commerce on September 13 (and possibly September 14) and Ways and Means on September 9-10 and 14-15.

## Administration

**Delayed Medicare Trustees Report Maintained 2026 Insolvency Projection.** The [annual report](#), published more than 150 days late this year, forecasts the outlook and factors affecting the overall financial stability of two main funds that pay for Medicare: the Hospital Insurance (HI) Trust Fund (covering Part A benefits) and the Supplementary Medical Insurance Trust Fund (Part B and D benefits). Most dollars in the HI Trust fund come from payroll taxes, and the suspension of this tax during COVID-19 raised concerns that it could quicken the pace of insolvency as early as 2023 or 2024. However, the report states that the most significant impacts of COVID-19 will be realized in the

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short-term. Accordingly, the financial condition of the HI Trust Fund remains largely the same as it did before the pandemic due to offsets created by reductions in other Medicare spending last year. Despite no significant changes in the trust fund's outlook, the report will likely be used by Congressional Republicans for arguments against adding new benefits (i.e., dental, vision and hearing coverage) to Medicare—a priority that Democrats are expected to include in the upcoming reconciliation package.

**CMS Appointed Two New Directors and Added Dental Chief.** This week, CMS [announced](#) that Dr. Ellen Montz, a veteran of the Obama Administration, joined the agency as a Deputy Administrator and Director of the Center for Consumer Information and Insurance Oversight (CCIIO). In this role, Montz will support the Biden Administration's efforts to build on the Affordable Care Act, as well as implementation of surprise medical billing regulations set to go into effect at the beginning of 2022. CMS also appointed Dr. Natalia Chalmers as its first Chief Dental Officer—a role that could be increasingly integral as Democrats look to add dental benefits to Medicare through reconciliation this fall. Finally, the agency also tapped Dara Corrigan as Deputy Administrator and Director of the Center for Program Integrity (CPI), filling a key oversight role. These key administrative appointments will provide essential regulatory support for implementing changes to CMS programs.

**Department of Health and Human Services Established a Climate and Equity Office.** The new Office of Climate Change and Health Equity (OCCHE) is responsive to President Biden's [executive order](#) on climate change and will carry out policies at the intersection of climate and healthcare. According to HHS, OCCHE's mission is *"to protect vulnerable communities who disproportionately bear the brunt of pollution and climate-driven disasters, such as drought and wildfires, at the expense of public health."* OCCHE will engage in research, regulatory efforts, innovation, and programmatic coordination, including reducing greenhouse emissions by hospitals and health systems. Dr. John Balbus, a senior advisor the director of the National Institute for Environmental Health Sciences, will be the interim director.

## Quick Hits

- CMS [released](#) guidance to help states implement American Rescue Plan Act provisions related to COVID-19 testing and vaccination in Medicaid programs.
- CMS also [issued](#) waivers and initiated new flexibilities for Public Health Emergencies in Mississippi and Louisiana because of the recent damage caused by Hurricane Ida.
- More than \$80 million in combined [funding](#) and [grants](#) from the American Rescue Plan Act and the Substance Abuse and Mental Health Services Administration have been committed to youth mental health programming.
- The Medicare Payment Advisory Commission [met this week](#) to discuss COVID-19, Part D reforms, home health and post-acute care.
- Moderna has sought Emergency Use Authorization for booster doses of its COVID-19 vaccine, which is currently under review for full agency approval.
- The U.S. Food and Drug Administration's Vaccines and Related Biological Product Advisory Committee [will meet](#) on September 17 to review Pfizer's application for boosters of its COVID-19 vaccine, Comirnaty.

## **Next Week's Diagnosis**

Markups for the Democrats' reconciliation package continue in the House next week. The second surprise medical billing rule is expected to be published soon.

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