Policy Brief

September 4, 2020

Health Care Highlights from the National Political Conventions

The Republican National Convention (RNC) has wrapped, with President Donald Trump accepting the party's nomination for a second term. In a 70-minute speech, the President positioned himself as a protector of Medicare funding and a champion of the American economy. At their own convention, the Democratic Party countered that *they* are the true health care party, criticizing the current administration for weakening the ACA and ignoring the uninsured. Overall, health care was in the spotlight at both events, with nearly every speaker mentioning the importance of lowering the cost of care. Read more to explore key learnings from both and what they might mean for health care.

Field Code Changed

What did convention speakers say about health care?

Pre-existing conditions, surprise billing and drug prices all received airtime at the conventions. President Trump promised to "end surprise medical billing, require price transparency and further reduce the cost of prescription drugs and health insurance premiums," emphasizing that his Administration has no intention of letting up on any of these fronts. At the Democratic National Convention (DNC), senators shared personal stories to highlight the importance of insurance coverage, criticized the President for "attacking" the scientific community and expressed their concern over the public health impacts of climate change.

Field Code Changed

The nation's battle against the novel coronavirus was also a major focus. At the DNC, speakers expressed their disapproval of the President for downplaying the severity of the pandemic and undermining the Affordable Care Act (ACA) during a pivotal time. At the RNC, Ivanka Trump rejected this criticism, instead describing her father as "one of the first" to take the pandemic seriously. Despite this assertion, the in-person audience for the President's speech sat tightly

packed with little possibility of social distancing. Only a few attendees wore face masks or other cloth coverings at the Washington, D.C. and North Carolina events. Convention organizers have since shared that at least four RNC attendees have tested positive for COVID-19.

What *didn't* we hear discussed?

Despite briefly mentioning pre-existing conditions, the President did not address his Administration's current argument against the ACA, which ensures those with pre-existing conditions can obtain health insurance coverage. In the past, the Republican party has assured voters that a replacement plan for the ACA would be implemented should the entire law be overturned. There was also little specific mention of "Medicare for All" or a public health insurance option at either party's event—not even from Sen. Bernie Sanders.

Key Highlights: CMS' New Model for Rural Health Care

In alignment with the Trump's Administration Executive Order on rural health, CMS recently announced a new voluntary Alternative Payment Model (APM) for rural health providers. The Community Health Access and Rural Transformation (CHART) model seeks to increase access to health services while improving quality and reducing costs in rural communities. The model offers two options for rural hospitals to participate: The Community Transformation Track and the Accountable Care Organization (ACO) Transformation Track. Detailed information on the model can be found here. Below are key highlights.

Tracks Available

Community Transformation Track:

- CMS will select up to 15 "Lead Organizations" for this track. Each Lead Organization will be responsible for developing and implementing a "Transformation Plan" to redesign the delivery of health care in their community. To implement this plan, the Lead Organization must partner with various rural hospitals who will receive a prospective annual payment for the delivery of care.
- A participant hospital must be an acute care hospital, Critical Access Hospital or special rural designation hospital that signs a Participation Agreement with CMS.

- Entities eligible to become a Lead Organization include but are not limited to health systems, Medicaid agencies, academic medical centers and local public health departments.
- Lead Organizations will be expected to manage the funds provided by CMS, recruit rural hospitals, engage the state Medicaid agency, establish relationships with payers, convene an Advisory Council and ensure compliance with the model's requirements.
- Lead Organizations will receive up to $5 million from CMS to implement the model. CMS will provide $2 million upon acceptance and the rest of the funds will be available "as the model progresses."

ACO Transformation Track:

- CMS will select up to 20 rural ACOs to receive advanced payments as part of joining the Medicare Shared Savings Program.
- To be eligible, the ACO must have the majority of its providers/suppliers located within rural counties or rural census tracts.
- CMS will provide advanced shared savings payments comprised of two components:
    - A one-time upfront payment equal to a minimum of $200,000 plus $36 per beneficiary to participate in the five-year agreement period in the Shared Savings Program.
    - A prospective per beneficiary per month payment equal to a minimum of $8 for up to 24 months.

Applications

- The Notice of Funding Opportunity for the Community Transformation Track will be available in September. Organizations wanting to be a Lead Organization should apply.
- The Request for Application for the ACO Transformation Track will be made available early in 2021.

Model Timeline

- In the spring of 2021, CMS will select up to 15 rural communities to participate in the Community Transformation track. The first performance period will begin in July 2022.
- In the fall of 2021, CMS will select up to 20 ACOs to participate in the ACO Transformation track. The performance period will begin in January 2022.

Innovation Continues Throughout the Pandemic

While the COVID-19 pandemic has put a strain on the health care industry, it has not stopped the push for innovations in how value-based health care can be delivered. For example, Adventist Health and Synchronous Health recently announced a partnership to deliver behavioral health through telehealth and use artificial intelligence to assist Adventist Health's caregivers. CMS has also continued to foster innovation because, as Seema Verma puts it, "Innovation is the fuel that powers the engine of progress and creativity." CMS will likely continue to remove regulatory barriers, helping health care companies continue to innovate throughout the pandemic and beyond.

Innovations During the Pandemic

The COVID-19 pandemic brought about rapid innovations through telemedicine as primary care, mental health and other services had to go virtual to protect patients. CMS has waived many of the restrictions that previously limited telehealth's use, freeing some providers to heavily invest in virtual care programs. Many organizations, such as Intermountain and MedStar Health, have scaled up their existing programs; other organizations have created new pathways for their technology, such as the University of Wisconsin Health's virtual rounding.

Value-based arrangements have also continued throughout the pandemic. Cleveland Clinic and Aetna recently announced a partnership to form an ACO, which will offer plans and programs featuring Cleveland Clinic providers. Non-health care companies are also still trying to move into the health care space. One of these organizations, Uber, has recently launched NimbleRx, a medication delivery business that will serve the Seattle and Dallas metropolitan areas.

CMS' Actions to Encourage Innovations

CMS' relaxation of telehealth restrictions during the pandemic is reflective of their desire to encourage innovation throughout the health care industry. Seema Verma has recently said, "We are committed to removing government barriers and modernizing regulations around new technologies to ensure safe and effective treatments are readily accessible to beneficiaries

without delaying patient care." CMS will likely continue encouraging health care innovation even after the pandemic ends.

CMS Releases IPPS FY 2021 Final Rule

On Tuesday, CMS released its Inpatient Prospective Payment System (IPPS) final rule for FY 2021. The rule, which becomes effective on October 1st, increases inpatient payments by $3.5 billion in FY 2021. The rule finalizes the requirement for hospitals to report the median negotiated charges by MS-DRG for all Medicare Advantage (MA) payers for cost reporting periods ending on or after January 1, 2021. This is a departure from the proposed rule, which would have required the data to be reported for all third-party payers, not just MA. For further details on this rule, click here.

CMS' Rule Makes COVID-19 Reporting a Medicare Condition of Participation

Last week, CMS released an interim final rule that makes collecting and reporting of COVID-19 data a Medicare Condition of Participation (CoP) for hospitals. The rule requires hospitals to report daily data such as the number of confirmed or suspected COVID-19 positive patients and other data items included in CMS' July FAQs. To justify this policy, CMS states that "While many hospitals are voluntarily reporting this information now, not all are." Additionally, the rule requires all laboratories (including those in hospitals and other facilities) to report COVID-19 test results daily to the Department of Health and Human Services (HHS). The rule became effective on September 2nd. For further details on this rule, click here.

Price Transparency Response Brief Filed

The Trump Administration has filed a response brief with the U.S. Court of Appeals for the D.C. Circuit. In the brief, the Administration argues that it did not exceed its statutory authority in requiring hospitals to disclose their negotiated rates (the payments hospitals agree to accept from various insurers). The American Hospital Association disagrees, calling the Department of Health and Human Services' interpretation of the law "impermissible." Oral arguments are scheduled for October 15, 2020.

Updates on COVID-19 Regulations

AHPA continues to follow new COVID-19 regulations, guidance and other government actions. The updates below are the latest guidance and other developments since August 24th to help mitigate the impacts of COVID-19. For earlier COVID-19 regulations and guidance, visit the last Policy Brief.

PREP Act Amendment Allows Hospital Pharmacists to Administer Pediatric Vaccines

- A third amendment to the public health emergency declaration under the PREP Act will allow state-licensed pharmacists to order and administer vaccines to pediatric patients.
  Press Release | Amendment Declaration

Updated Guidance on HIPAA and Contacting Former Patients

- HHS has issued updated guidance on how to identify and contact individuals who have recovered from COVID-19 while protecting the privacy of patients.

Revised CARES Act COVID-19 Guidance for IPPS Hospitals

- CMS has revised the existing COVID-19 policies for Inpatient Prospective Payment System (IPPS) hospitals, Long-Term Care Hospitals and Inpatient Rehabilitation Facilities. **Eligible claims for admissions occurring on or after September 1st will be required to document a positive COVID-19 test in the patient's medical record.**

Convalescent Plasma Emergency Use Authorization (EUA)

- The FDA has issued an EUA for investigational convalescent plasma for the treatment of COVID-19 in hospitalized patients.
  Press Release | Decision Memorandum

A Look at the Federal Register

Medicare Coverage of Innovative Technology (MCIT) Proposed Rule

CMS has released a proposed rule to create a new and faster way for innovative medical technologies to receive coverage under Medicare. The MCIT pathway would create national coverage for breakthrough devices, lasting four years from the date of FDA market authorization. **Comments are due on November 2, 2020.**

Supplemental Nutrition Assistance Program: Accrual of Benefits and Definition Changes

The Food and Nutrition Service has released a final rule amending the Supplemental Nutrition Assistance Program regulations to implement provisions of the 2008 Farm Bill regarding monthly benefit issuance allotments, benefit expungement and Electronic Benefit Transfer systems.

IN OTHER NEWS

How AdventHealth's CHRO O. Azevedo Directs Diversity and Inclusion Efforts – Becker's Hospital Review

America At Hunger's Edge: An Interactive Digital Story – NY Times Magazine

Community Resilience for COVID-19 and Beyond: Leveraging Social Services Integration – Health Affairs

The Fine Line Between Choice and Confusion in Health Care – NY Times

Real Savings Unlikely from President Trump's "Most Favored Nation" Proposal - KFF