

McDermottPlus Check-Up: March 12, 2021

McDermott+Consulting is pleased to provide the McDermottPlus Check-Up, your regular update on health care policy from Washington, DC.



This Week's Dose: Congress passed, and President Biden signed, coronavirus (COVID-19) relief legislation.

Congress

- + **Biden Signed American Rescue Plan.** The American Rescue Plan of 2021 (ARP) largely follows President Biden's initial \$1.9 trillion proposal. The ARP extends unemployment insurance benefits and provides \$1,400 stimulus payments to qualifying Americans. It also makes several important health policy changes, including providing funding for vaccine distribution and COVID-19 testing, making policy adjustments to Medicaid, facilitating insurance coverage and providing another \$8.5 billion through a Provider Relief Fund look-alike mechanism to specifically support rural providers. The final bill also makes two narrowly focused Medicare payment changes. The version that was signed into law ultimately did not include a federal minimum wage increase, or a number of other financial and regulatory support provisions sought by healthcare providers. A summary of the major health-related provisions of the law is available [here](#).
- + **Sequestration Relief Bills Introduced.** House Democrats introduced a [bill](#) that would extend the current Medicare sequester moratorium through the end of 2021. The 2% cut to Medicare payments was suspended by Congress multiple times during the public health emergency, most recently through March 31, 2021. Healthcare providers unsuccessfully urged Congress to include additional relief in the ARP. In addition, the bill exempts the ARP from the Statutory Pay-As-You-Go Act of 2010, which requires that automatic payment cuts be put into place if a statutory action creates a net increase in the deficit. The Congressional Budget Office has estimated that the increase to the deficit caused by the ARP would require further reductions in Medicare spending of four percentage points (or an estimated \$36 billion) for fiscal year 2022 if congressional action is not taken to waive the requirement. If implemented, these additional cuts would be on top of the 2% cut, possibly cutting Medicare payments by 6%. On the Senate side, a bipartisan bill from Senators Jeanne Shaheen (D-NH) and Susan Collins (R-ME) is expected to be introduced next Monday that would also extend the Medicare sequester moratorium.

Administration

- + **HHS Proposed Delay of Health Center Insulin Pricing Rule.** Continuing efforts to postpone and review Trump-era regulations that have not yet taken effect, the US Department of Health and Human Services (HHS) this week [proposed delaying](#) the effective date of a rule, which would require federally qualified health centers to make insulin and injectable epinephrine available at 340B prices to low-income individuals, from March 22, 2021, to July 20, 2021. HHS will accept comments on the proposed delay through March 14.

Quick Hits

- + The Senate Health, Education, Labor and Pensions (HELP) Committee held a [hearing](#) on the COVID-19 response.

- + Senate HELP Committee Chair Patty Murray (D-WA) introduced the [Public Health Infrastructure Saves Lives Act](#), which would provide \$4.5 billion in annual funding to improve public health infrastructure.
- + HHS [extended](#) Health Insurance Portability and Accountability Act Privacy Rule Comment Period from March 22, 2021, to May 6, 2021.
- + The Centers for Medicare and Medicaid Services (CMS) released new [guidance](#) on visitation for nursing home residents.
- + The CMS Innovation Center delayed the start date of the [Kidney Care Choices](#) model to January 1, 2022 (pushed back from April 1, 2021). In addition, the Seriously Ill Population component of the [Primary Care First](#) model is under review, and will not begin on its previously announced April 1, 2021, start date.
- + The CMS Innovation Center released the participation agreement for the [Direct Contracting](#) Global and Professional risk track on March 5. The timeline for the second cohort of applications for Global and Professional Direct Contracting has not been announced.
- + CMS extended the application deadline for the [Community Health Access and Rural Transformation Model](#) from March 16 to May 11, 2021.
- + The US Supreme Court dismissed three cases challenging the Trump Administration's [public charge rule](#) after the Biden Administration announced that it would not defend or enforce the policy. The Court also canceled a planned March 29 hearing on Medicaid work requirements, another policy the Biden Administration has planned to unwind, but did not formally dismiss the case.

M+ Resources

- + This week, President Biden signed the latest COVID-19 relief package into law. Our summary of the major healthcare provisions of the law is available [here](#).
- + McDermottPlus is excited to welcome two new members to our team! Aaron Badida and Jennifer Ohn discuss their experience and what brought them to M+ on this week's episode of the [Health Policy Breakroom](#).

NEXT WEEK'S DIAGNOSIS: The Senate is expected to confirm Xavier Becerra as HHS Secretary. The Senate HELP Committee will hold a [hearing](#) on the COVID-19 response, and the Senate Finance Committee will hold a [hearing](#) on the impact of the pandemic on nursing homes. The House Energy and Commerce Oversight and Investigations Subcommittee will hold a [hearing](#) on the Biden Administration's efforts to increase COVID-19 vaccinations, and the Health Subcommittee will hold a [hearing](#) on healthcare access in the US Territories.

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