



## McDermottPlus Check-Up: April 9, 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 is out of session this week, but the Senate Parliamentarian reportedly ruled that lawmakers may pursue an additional reconciliation package for fiscal year (FY) 2021, a decision that is likely to shape legislative efforts for the remainder of the year. The Centers for Medicare and Medicaid Services (CMS) released annual payment rules, including the FY 2022 proposed payment rule for inpatient rehabilitation facilities (IRFs).

### Administration

- + **CMS Released Proposed FY 2022 IRF Rule.** CMS estimates that the [proposed rule](#) would increase payments to IRFs by 1.8%, or approximately \$160 million, nationwide in FY 2022 over FY 2021. The rule also proposes adjustment to the IRF quality reporting program, including modifying the number of quarters used to report on certain quality measures due to the public health emergency. In line with the President's [Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#), the proposed rule also includes a request for information seeking comments on revising measure development and the collection of Standardized Patient Assessment Data Elements to address health equity in IRFs. More information on the proposed changes is available [here](#). The proposed rule is scheduled to be published in the Federal Register on April 12 and comments are due on June 7, 2021.
- + **CMS Announced Direct Contracting Participants and Halted 2022 Applications.** The agency provided an [updated list](#) of 53 participants for the performance year that began April 1, 2021, along with updated [Frequently Asked Questions](#) and [Financial Frequently Asked Questions](#). The agency also [announced](#) that it would not be accepting new applications for January 1, 2022. Entities that previously applied, were accepted and deferred will be permitted to begin in January 2022. CMS is likely to face significant pushback from stakeholders who had planned to apply for 2022.
- + **CDC Awarded \$3 Billion to Expand COVID-19 Vaccine Programs.** The funds from the Centers for Disease Control and Prevention (CDC) will [support](#) local efforts to increase vaccine uptake by expanding COVID-19 vaccine programs and ensuring greater equity and access to vaccines by those disproportionately impacted by COVID-19. The funding was made available through the [American Rescue Plan](#) and the Coronavirus Response and Relief Supplemental Appropriations Act. To ensure that the funds are used to advance health equity and expand access to COVID-19 vaccines in communities disproportionality impacted by the pandemic, CDC is requiring that 75% be focused on racial and ethnic minorities and 60% must go to support local health departments, community-based organizations and community health centers. Details on where funds will be distributed are available [here](#).
- + **Medicaid Work Requirements Rescinded.** The Biden Administration reversed Trump-era Section 1115 waivers in [Michigan](#) and [Wisconsin](#) that required some Medicaid beneficiaries to work or participate in related activities to be eligible for benefits. Last month, CMS sent letters to



the 10 states that had implemented, or sought to implement, Medicaid work requirements, saying the Administration does not believe work requirements promote Medicaid objectives. The Democratic governors in Michigan and Wisconsin inherited the work requirement waivers from their Republican predecessors and were not expected to defend the policy. However, the Administration may face legal challenges from the remaining Republican-led states as it continues the rollback.

## Quick Hits

- + The White House released an [outline](#) of the President's discretionary budget request for FY 2022, which includes \$131.7 billion for the US Department of Health and Human Services (HHS), a 23.5% increase over the 2021 enacted level.
- + The Democratic leaders of the congressional health committees sent a [letter](#) urging HHS to create a Special Enrollment Period for laid-off Americans when their employer-based coverage expires.
- + CMS released the FY 2022 proposed payment rules for [hospice](#) and [Skilled Nursing Facilities \(SNFs\)](#). The agency estimates that the rules would increase payments to hospice providers by \$530 million and to SNFs by \$444 million. Public comments on both rules are due June 7, 2021.
- + CMS updated the [list](#) of approved hospitals and health systems for the Acute Hospital Care at Home Demonstration.
- + The Medicaid and CHIP Payment and Access Commission held its [April Public Meeting](#) on April 8 and 9.

**NEXT WEEK'S DIAGNOSIS:** Congress returns from recess to begin an eight-week legislative session. Lawmakers are expected to act quickly to address the Medicare sequester, and Democrats are likely to begin outlining their major legislative priorities for the remainder of the year. The House Energy and Commerce Health Subcommittee will hold a [hearing](#) on bills to address substance use and misuse. The House Select Subcommittee on the Coronavirus Crisis will hold a [hearing](#) with Administration health officials on ending the pandemic. The House Appropriations Departments of Labor, HHS, Education, and Related Agencies Subcommittee will hold a [hearing](#) on the President's FY 2022 budget request for HHS. The Senate Finance Committee will hold a [hearing](#) to consider the nominations of Andrea Joan Palm to be Deputy Secretary of HHS and Chiquita Brooks-LaSure to be Administrator of CMS.

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