



McDermottPlus Check-Up: April 16, 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 returned from recess and took up sequester relief and confirmations for key healthcare positions. The White House released the President's fiscal year (FY) 2022 discretionary budget request late last week.

Congress

- + **President Signed Sequester Relief.** The House of Representatives passed a [bill](#) by a vote of 384 to 38 to suspend the Medicare sequester through the end of 2021. President Biden swiftly signed the legislation, which the Senate passed last month. The Centers for Medicare and Medicaid Services (CMS) had held provider claims with dates of service on or after April 1, 2021, to give Congress time to avert the 2% cut and is expected to resume payments shortly. While this is welcome relief for providers and plans, they will need to plan for the possibility of greater cuts triggered by the [American Rescue Plan \(ARP\)](#), unless Congress can be persuaded to waive Statutory Pay-As-You-Go requirements later this year. The policy requires that automatic payment cuts be put into place if a statutory action is projected to create a net increase in the deficit over either five or 10 years. Most budget-watchers expect the ARP to trigger an additional 4% cut to Medicare payments without congressional action.
- + **Senate Considered HHS and CMS Nominations.** The Senate Finance Committee [met](#) on April 15 to consider the nominations of Andrea Joan Palm to be Deputy Secretary of the US Department of Health and Human Services (HHS) and Chiquita Brooks-LaSure to be Administrator of CMS. Palm previously served as HHS Chief of Staff and Senior Counselor to the Secretary during the Obama Administration, and more recently as the Secretary-Designee of the Wisconsin Department of Health Services. Brooks-LaSure previously served as Deputy Director for Policy at the Center for Consumer Information and Insurance Oversight at CMS, and as Director of Coverage Policy at HHS. During the hearing, both nominees discussed their healthcare priorities on behalf of the Administration, including telehealth expansion, improving healthcare access for underserved populations and addressing health disparities, improving behavioral healthcare and addressing prescription drug costs. The Committee is expected to advance both nominations to the full chamber in the coming weeks, and both nominees are expected to be confirmed.

Administration

- + **White House Released Outline of President's FY 2022 Discretionary Budget Request.** The [outline](#) of the President's \$1.5 trillion FY 2022 discretionary budget includes \$131.7 billion for HHS, a 23.5% increase over the 2021 enacted level. The HHS budget includes health equity initiatives with increased funding for social determinants of health programming at the Centers for Disease Control and Prevention (CDC), community mental health resources at the Substance Abuse and Mental Health Services Administration and the Office of Civil Rights. It also includes funding for pandemic preparedness, fighting the opioid epidemic and longstanding Democratic priorities, such as maternal health, family planning, environmental health and research into gun violence. The full budget, which will include funding for Medicare and Medicaid



and related policy items, is expected in mid-May. The President's budget has traditionally been viewed as an aspirational document, with Congress having the ultimate authority on funding through its budget resolution and appropriations process. The President's strong support for HHS, however, signals the importance the Administration is placing on public health initiatives.

Quick Hits

- + The House Energy and Commerce Health Subcommittee held a [hearing](#) on bills to address substance use and misuse, and the House Select Subcommittee on the Coronavirus Crisis held a [hearing](#) with Administration health officials on ending the pandemic. The House Appropriations Departments of Labor, HHS, Education, and Related Agencies Subcommittee held a [hearing](#) on the President's FY 2022 budget request for HHS.
- + Bipartisan leaders of the House Energy and Commerce Committee sent a [letter](#) urging HHS Secretary Becerra to enforce compliance with the [Hospital Price Transparency Final Rule](#).
- + Representatives Cheri Bustos (D-IL), Tom Cole (R-OK), Jim McGovern (D-MA) and Markwayne Mullin (R-OK) reintroduced the [Social Determinants Accelerator Act](#), which would create a grant program for state and local government initiatives aimed at social determinants of health.
- + Representatives Teri Sewell (D-AL) and Vern Buchanan (R-FL) reintroduced the [Resetting the Impact Act of 2021](#), which would reset the data collection and development of a unified post-acute care payment system prototype as required by the [IMPACT Act](#) until after the COVID-19 public health emergency ends.
- + CDC indefinitely [paused](#) use of the single-dose Johnson & Johnson COVID-19 vaccine after reports that a small number of recipients experienced serious blood clots. The Advisory Committee on Immunization Practices, an expert panel that advises the CDC, delayed a vote on whether or how to limit use of the vaccine, while more information is gathered.

M+ Resources

- + McDermottPlus VP Sheila Madhani discusses the Biden Administration's health equity efforts on this week's episode of the [Health Policy Breakroom](#).

NEXT WEEK'S DIAGNOSIS: Lawmakers continue negotiations on infrastructure provisions and other legislative priorities that may be advanced in another reconciliation package. The annual proposed payment rules for inpatient hospitals will likely be released.

For more information, contact [Mara McDermott](#), [Kristen O'Brien](#), [Katie Waldo](#) and [Emma Zimmerman](#).

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