



## McDermottPlus Check-Up: April 30, 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:** The White House released a \$1.8 trillion legislative proposal, the American Families Plan, aimed at enhancing and advancing childcare, family leave, tax reform, and education ahead of the President's first speech before a joint session of Congress. The Centers for Medicare and Medicaid Services (CMS) released the proposed annual payment rule for inpatient hospitals.

### Administration

- + **American Families Plan Expands the Social Safety Net, but Omits Major Healthcare Reforms.** The \$1.8 trillion [proposal](#), which is intended to be one pillar of the President's broad infrastructure vision, includes funding for education, childcare, paid family and medical leave, and tax provisions. Many Democrats in Congress had pushed the White House to include major healthcare reforms in the proposal, especially those relating to drug pricing and coverage expansion. The plan comes after key House Democrats [laid out their intentions](#) to include drug pricing reforms in infrastructure legislation regardless of whether the President pushed to do so. While not explicitly included in the outline of the American Families Plan, during his [address](#), President Biden called on Congress to pass legislation allowing for Medicare drug price negotiation, signaling interest in passing additional reforms later this year, and separately from the Families Plan. The only healthcare policy directly outlined in the plan is a \$200 billion investment to make permanent the two-year advanced premium tax credits to individuals who purchase insurance on the Marketplace, which were established in the [American Rescue Plan](#). It remains to be seen if congressional Democrats will pick up the President's proposal as is, or continue to push for the inclusion of broader healthcare policies in this legislative effort.
- + **CMS Issues FY 2022 IPPS Proposed Rule.** The proposed [annual payment rule](#) would update Medicare payment policies for inpatient hospitals, increasing payments by approximately \$2.5 billion in fiscal year (FY) 2022. In addition, the rule would make changes to quality reporting programs and includes two requests for information, one focused on moving to digital quality measures and another on promoting health equity. In many areas, the rule seeks to recognize the COVID-19 pandemic by providing flexibility in reporting requirements as well as limiting broad changes to current payment policies. A number of major issues were notably absent from the proposed rule, including enforcement of hospital price transparency requirements. A summary of the major provisions included in the proposed rule is available [here](#). Public comments are due June 28, 2021.

### Quick Hits

- + The House Energy and Commerce Health Subcommittee held a [hearing](#) on the lingering effects of COVID-19, and the House Judiciary Committee held a [hearing](#) on anticompetitive conduct and consolidation in healthcare markets.



- + The House Ways and Means Committee held a [hearing](#) on the future of telehealth. For more on the Medicare telehealth landscape, see our [Telehealth 101 webinar](#) with the Partnership to Advance Virtual Care.
- + CMS [extended](#) the [Comprehensive Care for Joint Replacement model](#) for three years, through December 31, 2024.
- + CMS issued the second [2022 Notice of Benefit and Payment Parameters final rule](#), which includes provisions to lower the cap on out-of-pocket costs for those purchasing Marketplace insurance by \$400, and increase access to special enrollment periods.
- + The US Department of Health and Human Services [announced](#) \$1 billion in grant funding for community health center infrastructure.
- + The Food and Drug Administration (FDA) and Centers for Disease Control and Prevention [lifted](#) the recommended pause on the Johnson & Johnson COVID-19 vaccine following a safety review.
- + FDA [announced](#) that it plans to issue guidance in the next year to ban menthol cigarettes.

## M+ Resources

- + Our consultants discuss President Biden's first address to Congress and the announcement of the American Families Plan on the latest episode of the [Health Policy Breakroom](#).

**NEXT WEEK'S DIAGNOSIS:** The Senate adjourns for a one-week recess. The [House Energy and Commerce Health Subcommittee](#) and the [House Education and Labor Health, Employment, Labor and Pensions Subcommittee](#) will both hold hearings on legislation to lower prescription drug costs. The House Committee on Oversight and Reform will hold hearings on the [Black maternal health crisis](#) and the [organ transplantation system](#).

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