



McDermottPlus Check-Up: August 6, 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: Senate approaches finish line for infrastructure package. Centers for Medicare and Medicaid Services (CMS) finalizes inpatient payment rule. Centers for Disease Control and Prevention (CDC) extends eviction moratorium.

Congress

- + **Senate Poised to Pass Bipartisan Infrastructure Package.** The Senate has two major tasks to accomplish before leaving Washington: vote on the \$1 trillion bipartisan physical infrastructure bill (which needs at least 60 votes) and pass the Democrats' \$3.5 trillion budget resolution (which needs only a simple majority). Voting on infrastructure, which is widely expected to pass, could begin over the weekend, while voting on the budget resolution will likely happen later next week. The budget resolution does not become law; rather, it serves as a high-level spending agenda that will then form the basis for the partisan "human infrastructure" package that includes health and social welfare policies championed by the Biden Administration. The House is likely to defer action until the Senate passes both bills. Amidst all of this, government funding will run out at the end of September, which will require a temporary funding bill, otherwise known as a continuing resolution, to avoid a shutdown. There is also the issue of the debt ceiling, or the amount of debt the federal government can legally accrue. Congress needs to address raising the debt ceiling this fall. However, Republicans are strongly opposed to supporting any such action, and it is unclear whether Democrats will address it as part of the partisan reconciliation package or attempt to move it through regular order, which could be difficult without Republican support.

While the bipartisan package seems set to imminently pass in the Senate, the details and future of the budget resolution remain uncertain. Once the budget resolution clears, additional action will likely not occur until the House returns in September. Big health policy proposals around drug pricing, additional Medicare benefits and investments in home and community-based service workers and addressing the coverage gap in states that haven't expanded Medicaid have all been widely discussed as components of the partisan human infrastructure package. Whether they will all be included and in what form or duration are all difficult decision points that are dependent on fiscal offsets and maintaining the needed votes for passage. While no details are confirmed, it has been reported that Democrats are facing the likelihood that the human infrastructure bill may require deficit spending (spending more than they can offset in other ways as scored by the Congressional Budget Office)—an outcome likely to deepen the difficulty of consensus around the package.

Administration

- + **CMS Released Final Inpatient Payment Rule.** The [updated regulations](#) for FY 2022 include a 2.7% increase in the standardized payment amount for hospitals that successfully participate in the Hospital Inpatient Quality Reporting (IQR) Program and CMS' program to promote better use of electronic health records. Most notably, CMS decided to finalize the proposal to make value-based payment adjustments to hospitals neutral for FY 2022, meaning that payments are reimbursed at 100%. The final rule also included several policies to mitigate the impact of



COVID-19, including a decision to use FY 2019 Medicare Provider Analysis and Review (MedPAR) data for the FY 2022 ratesetting process given the impact of the pandemic on inpatient utilization and case mix in FY 2020. Additionally, CMS decided to grant one-year extensions for 13 technologies that were granted New Technology Add-on Payments last year. The agency noted that some policies, including the allocation for 1,000 new graduate medical education slots created by the Consolidated Appropriations Act at the end of 2020, would be addressed in subsequent rulemaking.

- + **CDC Issued Extended Eviction Moratorium for Communities with High COVID-19 Spread.** The agency issued the [order](#) on Tuesday after pressure from House progressives elicited action from the Biden Administration following the expiration of the previous moratorium on July 31, 2021. The CDC cited the rise of the Delta variant and “unexpected developments in the trajectory of the COVID-19 pandemic” as reasons for the new order. While the agency said that the order applied only to counties and territories experiencing “substantial or high levels of community transmission,” the vast majority of counties in the nation fall into these two categories according to [CDC data](#). The measure is intended to maintain housing stability, which the CDC characterizes as a tactic to fight the spread of the SARS-CoV-2 virus that causes COVID-19, while state and local governments work to increase disbursement of \$46 billion in federally appropriated funds for rental assistance. The order expires on October 3, 2021.

Quick Hits

- + This week, twenty-nine Valued Based Care Coalition Members and Partners, providing care to over one million patients in value based models, sent a letter to the Biden Administration committing their support to increase COVID-19 vaccination rates in their local communities. To prevent the spread of COVID-19, these Accountable Care Organizations (ACOs) and Direct Contracting Entities (DCEs) outlined a three-pronged approach based on enhancing vaccine outreach, education, and access. Read the letter [here](#).
- + Center for Medicare and Medicaid Innovation [released](#) 2020 report to Congress, outlining updates on more than three dozen models.
- + CMS [announced](#) average premium reduction of 40% from American Rescue Plan tax credits for new and returning health insurance marketplace customers.
- + Health Resources and Services Administration [announced](#) it will provide \$90 million to aid in combatting opioid/substance use disorders and supporting maternal health care.
- + CMS [proposed a rule](#) to allow home and community-based service workers to opt-in to employee benefits.
- + Better Medicare Alliance [report](#) indicates that Medicare Advantage plans are making progress on addressing social determinants of health, but reform to areas outside of healthcare are still needed.

M+ Resources

- + On this week's [Breakroom podcast](#), Debbie Curtis and Rodney Whitlock discuss how health care providers and professionals are viewed as leaders on COVID-19 vaccine requirements.



NEXT WEEK'S DIAGNOSIS: The House remains in recess. The Senate will seek to pass a budget resolution. Please note, the Check-up will be taking a brief pause next week.



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

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