FAQ Health Policy

Rad Oncology, ACO Reach, RADV, Kaiser CA, Manchin & BBB, Aduhelm

On occasion we provide incoming FAQs and our take.

- **Q. Can the administration cover new lives via 'Family Glitch' with a stroke of a pen? Doesn't this need Congress? When does it start & how many new folks may access coverage.**

A. Treasury rule is here. Doesn't need Congress. The administration will allow family members to obtain coverage…President Obama is in town this week for White House festivities with coverage advocates. Policies will start Jan. 1 2023 if finalized, so the credits would be available during the next annual open enrollment. The Treasury rule does not have enrollment estimates, but outside experts (Kaiser Family Foundation) have said 5.1 M, and the White House estimates (a) 200K previously uninsured and (b) additional 1 M who had ESI (employer sponsored insurance) will be allowed coverage due to the fix.

- **Q. What happened to the Radiation Oncology CMMI Model (Varian, ARAY, Elekta)?**

A. This popped up at OMB (here) in early March. We think that CMS / CMMI will likely delay or even kill it. Could be released any day now. If delay, we could see a request for stakeholder comment re how the agency should proceed. Note it has been delayed before.

- **Q. What's your take on the final NCD coming up from CMS on Aduhelm (BIIB, LLY, ROG) for Alzheimer's?**

A. Yes, it's due from CMS on or before April 11 2022. The original NCD did not indicate that the agency was willing to back down, but it is still possible they ease up in response to patient advocates – CMS received 9,957 comments -- 40% were in the "supportive of CMS" category, 10% were critical of the Down's Syndrome exclusion, and 34% were in more of a gray area. The agency could ease up on the restrictive, nearly worst case scenario proposed NCD, still do a CED ("coverage with evidence development") and require a registry.

- **Q: What are you all expecting in the proposed Hospital IPPS – when does the 20% DRG add on end? Will CMS comment on the end of the PHE.**

A. CMS may comment on the 20% add on payment for COVID cases since that will likely sunset during FY23. We could see in the rule perhaps more on hospital price transparency since that hasn't gone well? I doubt they will go any further on the move out of the IPO list ("inpatient only"). Probably will consider some data work arounds on the charge data still being aberrant. There are some new COVID sequelae codes, but that would just be on or off the major/minor complications list not a new DRG. CMS could go ahead with the new DRG (for Long COVID) if they think they have enough data to price it. There will be more on health equity; that's been a theme in the few proposed rules that have been released (IRF, Hospice, Psych). Perhaps the equity index score in the quality measures.

- **Q. Do you have follow up thoughts on the MA final 2023 rates from Monday eve? Isn't this also good news for primary care companies in capitated arrangements (Medicare)?**

A. Yes – we looked under the hood at rate books and found this (see list below). On physician firms: Yes on PRVA, ONEM, AGL, OSH. The +5% is helpful to those firms, especially with no comments around risk score growth, or commentary suggesting new ways to deal with coding/risk adjustment.

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- Range of county rate changes (zero bonus non-territories) is -4.3% to +19%, averaging out to around 5%.
- About ½ of the counties are at or more than +5%
- 1.5% of the counties are negative or zero
- They don't give underlying data on coding intensity (trend). The 3.50% reported below is an average. We know from MedPAC and others there is a range to that.
- CMS acknowledged concerns around ESRD payment rates, but basically suggested the law limits their ability to do anything substantive about it. Meanwhile the changes to the ESRD risk model are estimated to have a negative $500 million impact on payment
- Many industry commenters requested that CMS take steps to address the continuing negative impact of the COVID-19 pandemic on the ability to capture diagnoses for risk adjustment. In response, CMS noted that they have extended the deadlines for submission of risk adjustment data for payment years 2020, 2021, and 2022. CMS also stated that they are "not adopting policy changes to the CMS-HCC risk adjustment model or sources of diagnosis for risk-adjusted payment in this Rate Announcement. We believe that policies on this topic generally benefit from the more fulsome discussion that a description in the Advance Notice and an opportunity for public comment provide. Further, analysis of available data to understand the potential consequences of policy changes of this type is usually appropriate and necessary to ensure that our overall goals for risk adjustment are furthered by the change."
- Enhancements to the CMS-HCC Risk Adjustment Model to Advance Health Equity: CMS noted that large majority of commenters expressed support for enhancements to the CMS-HCC risk adjustment model to address the impacts of SDoH on beneficiary health status. CMS will take commenters' suggestions into careful consideration while developing any methodological changes to the risk adjustment model for future years and will consider additional ways in which they can engage with stakeholders.
- Health Equity Index (Part C and D) – CMS is developing a health equity index as a methodological enhancement to the Star Ratings that summarizes contract performance among those with social risk factors (SRFs) across multiple measures into a single score. CMS is also considering replacing the current reward factor added to the overall or summary ratings with the health equity index. The addition of a health equity index to the Part C and D Star Ratings would need to be adopted through the rulemaking process.
- No mention of the Pharmacy DIR proposal in the technical rule.

- **Q. What additional details will we hear from CMMI on ACO Reach?**

A. CMMI quietly announced (1) changes to benchmark rates (-6% if not in an underserved area). Also, (2) 2022 "new" class announcement is posted here. There is a record ~100 organizations, the largest CMMI demo group that we have ever seen (e.g., Pioneer ACO, MSSP). Recall that applications for the new ACO Reach program are due April 21, 2022.

- **Q. What happened in California – will the State still be able to pursue the no bid Medicaid contract with Kaiser?**

A. There is a hearing April 19th or 20th in the State of CA. We believe that this "deal" (while not illegal) will be modified as the sunlight illuminates the Governors agreement with Kaiser of CA.

- **Q. Why is Sen Joe Manchin (D-WV) calling for a revived BBB to be negotiated this month, to be "deficit-reducing?" Why is he talking about drugs.**

A. The "deficit reduction" idea put some MA policy watchers on edge. Negotiations commence this month. We think ACA subsidies and Drug reforms will likely go together. Manchin likes Drug reforms and does not think that the BBB goes far enough, even with limited negotiation. Home care funding is looking iffy at best a small amount would go but we aren't holding our breath on that one.

- **Q. PBMs are complaining about DIR reforms in the Med Adv/Part D technical rule – what do you think CMS will do in the final rule?**

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A. CMS Technical (final) rules will likely punt DIR (direct and indirect remuneration) policies (PBM). The Jan proposal ought to be finalized in the next 1-2 months, so plans can incorporate policies into bids (due June 1) We could see CMS delay DIR policies (PBM, Pharmacy, Plans) due to premium increases / industry lobbying blitz.

- **Q. RADV – will this happen? Seems to be the only tool in the toolbox for CMS to address risk scores.**

A. That's the scare. Noise emerged last month over RADV potential imminent release; we anticipate lawsuits emerging if CMS finalizes RADV, with a delay in implementation. CMS/HHS announced a delay in RADV rulemaking to Nov 2022, but we note this could come sooner.

Background