



Issues for the week ending July 5, 2024

## Federal Issues

### Legislative

#### House Committee Chairs Request HHS and GAO Oversight of ACA Enrollment Practices

In new [letters](#) to the Department of Health and Human Services (HHS) and Government Accountability Office (GAO), House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA), House Ways and Means Committee Chair Jason Smith (R-MO), and House Judiciary Committee Chair Jim Jordan (R-OH) asked for review of Affordable Care Act (ACA) enrollment to determine if fraud has occurred.

**Context:** The letters come after a Paragon Health Institute [report](#) estimated that 4 to 5 million people are improperly enrolled in fully subsidized ACA plans that cost taxpayers \$15 to \$26 billion annually.

**Fact Check:** The Paragon report reaches a conclusion about lower-income Americans enrolling in coverage that relies heavily on assumptions.

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Millions of real people rely on Marketplace coverage to access health care and premium tax credits provide tax fairness while also advocating for policies that promote appropriate program integrity solutions and ensure ongoing access to affordable coverage.

Go Deeper: [Read the letters here.](#)

- **ASPR Awards Moderna Funding to Develop mRNA-Based Influenza Vaccine**

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## Federal Issues

Regulatory

### **CMS Announces First States to Participate in AHEAD Model**

The Centers for Medicare & Medicaid Services July 2 announced that Maryland, Vermont, and Connecticut will be the first participants in the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model. Hawaii will also participate, pending satisfaction of certain requirements.

The voluntary all-payer model will hold participating states accountable for controlling overall growth in health care expenditures and improving population health outcomes. CMS will issue agreements to each participating state, which could receive up to \$12 million from CMS during the first five and a half years of the model to support implementation.

CMS will select four more states this fall. States interested in participating in Cohort 3 must submit a letter of intent to CMS by July 26 and apply by 3 p.m. ET Aug. 12.

**Why this matters:** The AHEAD model, announced last September, is a voluntary all-payer pilot program intended to hold participating states accountable for controlling overall growth in health care expenditures and improving population health outcomes. CMS plans to select up to eight states to participate.

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### **CMS Announces Availability of Updated 2024 Star Ratings**

The Centers for Medicare & Medicaid Services (CMS) issued a memorandum announcing the availability of updated CY 2024 Star Ratings in HPMS. As announced in a June 13 memorandum, CMS “has recalculated the 2024 Star Ratings using the published 2023 Star Ratings cut points to determine the guardrails for the 2024 Star Ratings.” CMS states that updated ratings will be available on Medicare Plan Finder, the Star Ratings [website](#), and in the [landscape files](#) by the end of the day on July 2. The agency notes that “once Medicare Plan Finder is updated, Part C and D sponsors are able to update any communication materials to show the updated ratings.”

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## **TEFCA Common Agreement Version 2.0 Effective**

On July 1, 2024, an updated version of the [Common Agreement](#) went into effect as part of the Trusted Exchange Framework and Common Agreement (TEFCA).

**Why this matters:** The most significant change is the adoption of Fast Healthcare Interoperability Resources (FHIR®) -based exchange, which will allow participants to leverage TEFCA governance, policy, and technical services to scale FHIR-based Application Programming Interface (API) exchange nationwide.

The Office of the National Coordinator for Health IT (ONC) and the Sequoia Project also released several Standard Operating Procedures (SOPs) outlining TEFCA governance policies and how TEFCA can be used to exchange information for treatment and individual access services. The release notes that by the end of the summer, a Health Care Operation use case will be released affording payers the ability to more meaningfully participate.

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## **AHIP Comments on Cyber Incident Reporting Proposed Rule**

AHIP sent a letter to the Cybersecurity and Infrastructure Security Agency (CISA) in response to the agency's proposed rule on cyber incident reporting for critical infrastructure.

**Why this matters:** AHIP's comments call for greater harmonization across federal cyber reporting programs, particularly considering the unprecedented cyber threats the health care sector is facing. AHIP's comments encourage CISA to reduce complexity and enhance the quality and completeness of data available to support the health sector.

### **High-Level Recommendations:**

- Harmonize Cyber Incident Reporting for Critical Infrastructure Act (CIRCI) reporting with Health Insurance Portability and Accountability Act (HIPAA) breach notification requirements.
- Allow adequate time to streamline reporting processes and educate covered entities on their compliance obligations.
- CISA should seek to collect the least amount of information possible in the easiest to report fashion to facilitate information accuracy and reporting speed.
- Prioritize protection of information submitted in response to CIRCI reporting requirements.

**Go Deeper:** [Read AHIP's detailed comments](#)

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## State Issues

### Pennsylvania

Legislative

#### Pennsylvania Legislative Update

**BUDGET:** The June 30 Budget Deadline has passed with no agreement on the FY 2024-2025 State Budget. Both the House and the Senate return to Session this week to continue negotiations with the Governor's Office.

#### HOUSE ACTIVITY

**Inducements & Rebates:** Senate Bill 1092, Senator DiSanto's legislation modernizing acceptable means of rebates and inducements insurers can use to attract and maintain new clients was unanimously approved by the House without amendments. It is awaiting signature in the Senate before it is presented to the Governor for his signature.

#### SENATE ACTIVITY

**Noncompete Clauses:** House Bill 1633, Representative Frankel's legislation prohibiting the practice of certain noncompete clauses for health care providers and providing for a Pennsylvania Health Care Cost Containment Council study on the matter, was amended and reported from the Senate Health & Human Services Committee on July 3. The bill received first consideration on the floor of the Senate and is awaiting further discussion.

**PBMs:** House Bill 1993, Representative Benham's Pharmacy Benefits Management legislation, which is the House companion to Senate Bill 1000 is scheduled for a committee vote from the Senate Health & Human Services Committee on July 8. The legislation is expected to be amended with a comprehensive amendment which has been worked on with stakeholders, the General Assembly and the Governor's Office. Once amended, it is expected to receive consideration from the full Senate this week.

**Provider Reimbursement:** House Bill 1664, Representative Scott's "Virtual Credit Card" legislation, outlining means which insurers can reimburse providers, was passed by the Senate with a unanimous vote and was returned to the House of Representatives for its concurrence to Senate amendments. The legislation was referred to the House Rules Committee and it is expected that the House will vote to concur in Senate amendments this week.

#### SIGNED LEGISLATION

**Telemedicine:** Senate Bill 739, Senator Vogel's legislation requiring coverage of telemedicine services, was signed into law by Governor Shapiro on July 3, becoming Act 42 of 2024.

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## **Bill to Help Implement Multistate Professional Licensure Compacts Passes General Assembly**

On Wednesday, the Senate passed legislation that will help Pennsylvania implement the multistate nurse and physician licensure compacts. House Bill 2200, sponsored by Representative Frank Burns (D–Cambria), includes long-awaited provisions that would resolve issues associated with federal background checks that have prevented the compacts from becoming a reality in Pennsylvania.

The legislation will become law upon the governor’s signature.

**Why this matters:** Pennsylvania hospitals are working to build a strong workforce for the future. Implementation of the multistate licensure compacts will support these efforts. The compacts are a key resource for Pennsylvania, enabling out-of-state licensed professionals to relocate and work in the commonwealth.

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## **Bogen Confirmed as Health Secretary**

Pennsylvania has officially confirmed Dr. Debra Bogen as its Secretary of Health. On Monday, the Senate voted 42–8 to confirm Bogen’s appointment to the role.

Bogen has served in the acting health secretary role since January 2023. Prior to her appointment, she served for nearly three years as the Director of the Allegheny County Health Department and was a long-time member of the Pittsburgh-area’s medical community. Her career has included more than three decades as a primary care pediatrician.

**Why this matters:** As Pennsylvania Health Secretary, Dr. Bogen oversees the 1,300-employee Pennsylvania Department of Health. In that role, she reports directly to Pennsylvania Governor Josh Shapiro.

The mission of the Pennsylvania Department of Health is to promote healthy behaviors, prevent injury and disease, and to assure the safe delivery of quality health care for all people in Pennsylvania. The Department of Health is the main regulatory agency with oversight of hospital operations.

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## **Industry Trends**

Policy / Market Trends

### **ASPR Awards Moderna Funding to Develop mRNA-Based Influenza Vaccine**

The Administration for Strategic Preparedness and Response (ASPR), through the Biomedical Advanced Research and Development Authority (BARDA), [announced](#) an award of approximately \$176 million to Moderna for the development of an mRNA-based pandemic influenza vaccine.

If needed, the award is a part of the Administration's efforts to strengthen preparedness for a potential influenza pandemic, such as avian influenza A (H1N1). Moderna's influenza vaccine will draw from current mRNA technology that was approved for use by the Food and Drug Administration (FDA) for COVID-19 vaccination. The award will also help with large-scale production and pandemic response.

[Read the announcement here.](#)

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**Interested in reviewing a copy of a bill(s)? Access the following web sites:**

Delaware State Legislation: <http://legis.delaware.gov/>.

New York Legislation: <https://nyassembly.gov/leg/>

Pennsylvania Legislation: [www.legis.state.pa.us](http://www.legis.state.pa.us).

West Virginia Legislation: <http://www.legis.state.wv.us/>

For copies of congressional bills, access the Thomas website –  
<http://thomas.loc.gov/>.

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