



Issues for the week ending August 30, 2024

Federal Issues

Legislative

GOP Committee Leaders Probe Part D Premium Stabilization Demonstration

Republican leaders of five key committees in the House and Senate sent a joint [letter](#) to the Congressional Budget Office (CBO) requesting a detailed analysis of the budgetary impact of the new Medicare Part D Premium Stabilization Demonstration.

Background: On July 29, 2024, the Centers for Medicare & Medicaid Services (CMS) [announced details](#) on the demonstration, which is voluntary and for standalone prescription drug plans (PDPs) only. According to CMS, under the demonstration “there will be a reduction in the base beneficiary premium of \$15 for all participating PDPs, combined with a year-over-year plan premium increase limit of \$35 and narrowed risk corridors applied to participating individual (i.e., non-employer) PDPs.”

Why this matters: Republicans are accusing the demonstration of being an election year ploy using taxpayer dollars to hide the impact

In this Issue:

Federal Issues

Legislative

- **GOP Committee Leaders Probe Part D Premium Stabilization Demonstration**

Regulatory

- **CDC Releases Seasonal Influenza Vaccine Recommendations**
- **FDA Approves Updated COVID-19 Vaccines**

State Issues

New York

Legislative

- **NY Legislative Update**

Industry Trends

Policy / Market Trends

- **AHIP Highlights Report Finding Private Equity Benefitting from Surprise Billing Reform**
- **CMS Announces Navigator Funding Ahead of Marketplace Open Enrollment**
- **Surgeon General Issues Mental Health Advisory for Parents**

of the Inflation Reduction Act (IRA) on Part D premiums.

Specifically, the GOP leaders asked CBO to provide:

- The estimated budgetary effects, including net interest costs, for the new Premium Stabilization Demonstration for plan year 2025.
- The isolated budgetary effects for plan year 2025 for each of the stated components of the demonstration, including the uniform \$15 reduction to the base beneficiary premium, the year-over-year increase limit of \$35 on a plan's total Part D premium, and the changes to risk corridors.
- The average projected payout to individual PDP sponsors under the demonstration for plan year 2025.
- How Part D plan bid growth and program outlays in 2024 and 2025 compares to CBO's original assumptions when scoring the redesign provisions of the IRA in 2022.

Federal Issues

Regulatory

CDC Releases Seasonal Influenza Vaccine Recommendations

The Centers for Disease Control and Prevention (CDC) Advisory Committee on Immunization Practices (ACIP) [released](#) an updated final recommendation statement on annual influenza vaccination. This is an update from ACIP's 2023-24 recommendation and guidance and recommends annual influenza vaccination for all persons aged six months or older who do not have contraindications. The guidance includes recommendations on timing of vaccination for different groups. The guidance also specifies which types of vaccine formulations are appropriate for certain immunocompromised individuals, and updates recommendations for solid organ transplant recipients.

Why this matters: Non-grandfathered group health plans and health insurance issuers offering non-grandfathered group or individual health insurance coverage must provide coverage without cost-sharing for the recommended item or service for plan years that begin on or after the date that is one year after the recommendation or guideline is issued. A recommendation or guideline of ACIP is considered to be issued on the last day of the month on which it publishes or otherwise releases the recommendation.

Following the court [decision](#) in the *Braidwood Management, Inc. v. Becerra* case, the Departments of Health and Human Services, Labor and Treasury issued [Frequently Asked Questions \(FAQs\) Part 59](#) to address how the decision impacts coverage requirements for preventive services under the Affordable Care Act (ACA). The FAQs clarify that immunizations recommended by ACIP are not impacted by the *Braidwood* decision. Plans and issuers must continue to cover such items and services without cost sharing, consistent with all applicable regulations and guidance. The recent Circuit Court [ruling](#) reiterated that ACIP recommendations are not impacted by the court decision, though the District Court is now expected to review whether these recommendations should have been finalized through rulemaking.

FDA Approves Updated COVID-19 Vaccines

The Food and Drug Administration (FDA) [approved and authorized](#) updated mRNA COVID-19 vaccines from Moderna and Pfizer/BioNTech for individuals aged 12 and older. The FDA also granted emergency use authorization to the updated vaccine formulations for children ages 6 months through 11 years. The Centers for Disease Control and Prevention previously issued a [recommendation](#) that everyone ages 6 months and older receive an updated 2024-2025 COVID-19 vaccine.

Why this matters: Following the end of the COVID-19 Public Health Emergency, COVID-19 vaccines are recommended by the CDC's Advisory Committee on Immunization Practices (ACIP) as part of the routine vaccination schedule. As such, they are considered a preventive health service for non-grandfathered private insurance plans and should be covered without cost sharing when received in-network. COVID-19 vaccinations are also required to be covered under Medicare Part B without cost sharing. Medicaid programs are required to continue to cover all COVID-19 vaccinations without cost sharing through September 30, 2024, and will cover ACIP-recommended vaccines for most beneficiaries thereafter. In tandem with these requirements, a 2021 [FAQ](#) from the Departments of Health and Human Services, Labor and Treasury indicated that plans and issuers must cover, without cost sharing, any COVID-19 vaccine authorized by the FDA immediately upon the vaccine becoming authorized or approved (i.e., plans and issuers should not wait for the final ACIP recommendation).

As stated above, ACIP recommendations are not impacted by the *Braidwood Management, Inc. v. Becerra* court decision.

State Issues

New York Legislative

NY Legislative Update

The Governor last week signed A5729/S6146, which requires insurers to provide coverage for tattooing of the nipple-areolar complex as part of breast reconstruction surgery, if the tattooing is performed by a licensed physician or other authorized healthcare practitioner within their scope of practice. It amends sections of the New York Insurance Law to add this coverage requirement for individual, group, and blanket insurance policies. The law will take effect on January 1, 2025.

Industry Trends

Policy / Market Trends

AHIP Highlights Report Finding Private Equity Benefitting from Surprise Billing Reform

AHIP published a [blog](#) in response to a new [analysis](#) in *HealthAffairs* finding select private equity-backed providers benefited from the *No Surprises Act's* (NSA) independent dispute resolution (IDR) process.

Method: The researchers examined data of resolved IDR claims in 2023. The findings illustrate trends in IDR across provider and payer types, offer amounts, geographic locations, and more.

By the Numbers:

- **Providers continued to file new cases at rapid rates.** The number of newly initiated cases grew more than fourfold from 69,000 in the third quarter of 2022 to 318,000 in the fourth quarter of 2023.
- **Filings were heavily dominated by a few provider groups in a few states.** There were 657,040 newly initiated cases filed in 2023, about 70% of which came from just four organizations, all backed by private equity.
- **Providers won more often and at higher rates than plans.** From the first to last quarter of 2023, the provider win rate grew from 72% to 85%. When providers won, they continued to win payments at a median rate of more than three times the qualifying payment amount (QPA).
- **Some specialties were especially successful.** Overall, surgeons and neurologists using the IDR system had a median prevailing offer that was more than 800% of the QPA in their contested cases in the past two quarters of 2023. Radiology providers also were successful, with prevailing offers of 500% or more of the QPA.

Why this matters: AHIP's [blog](#) emphasizes how private equity's short term business model presents ongoing challenges to health care affordability and how surprise billing reform was created to help patients, not private equity.

Read the full *HealthAffairs* report [here](#).

CMS Announces Navigator Funding Ahead of Marketplace Open Enrollment

The Centers for Medicare & Medicaid Services (CMS) [announced](#) a new round of grant funding awarded to Navigator organizations to assist underserved communities, consumers, and small businesses find and enroll in health coverage through this year's Marketplace.

Funding Details: CMS awarded \$100 million to 44 Navigator grantees in states using healthcare.gov. This year's Marketplace Open Enrollment is set to begin on November 1, 2024.

Surgeon General Issues Mental Health Advisory for Parents

The U.S. Surgeon General issued an [advisory](#) on the need for improved support for parents, caregivers, and families. The advisory cites that 33% of parents reported high levels of stress in the past month compared to 20% of other adults.

A recent AHIP [issue brief](#) highlighted the importance of addressing mental health workforce shortages and improving access to quality behavioral health care. Almost half of Americans live in areas with mental health provider shortages.

The Bottom Line: With more Americans getting behavioral health treatment than ever before, both short- and long-term solutions are required. Health insurance plans will continue to work with stakeholders to explore new ways to improve access to quality behavioral health care for everyone who needs it.

Go Deeper: AHIP's Board of Directors' [Statement of Commitment](#) and [Vision for Improved Mental Health Access](#) prioritizes increasing the number of mental health practitioners, optimizing the existing workforce, and using telehealth and other technology solutions to expand access.

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.

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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