Capitol Insights Newsletter
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What Happened in Congress this Week?

Senator Bill Cassidy sent a letter to the FDA suggesting that they should alter their regulatory agenda after the overturning of *Chevron*.

The Senate Health, Education, Labor, and Pensions (HELP) committee held a hearing on medical debt. All Senators acknowledged the burden of medical debt but differed on how to solve the problem with Committee Chair Bernie Sanders arguing that all medical debt should be cancelled.

House Republican appropriators approved the first 2025 Labor-HHS spending plan along party lines. The plan includes a 7% reduction in funding for the Department of Health and Human Services (HHS). Major changes from the current status quo include a revamp of the National Institutes of Health (NIH) and significant cuts to Title X family planning grants. However, this spending package must be approved by the entire House and Senate before becoming law, and it is likely to undergo changes between its current and final versions.

CMS Releases CY 2025 Physician Fee Schedule

CMS published the 2,248 page CY 2025 Medicare Physician Fee Schedule (PFS) proposed rule on Wednesday afternoon.

CMS is proposing a 2025 PFS Conversion Factor of 32.3562, which is a small increase from the finalized 2024 CF of 32.34. However, Congress passed legislation to reduce the CF reduction in March. This resulted in a new CF of 33.2875 for services provided on or after March 9, 2024, through the end of the year. The proposed CY 2025 CF is 0.05% higher than the finalized CF. However, in reality, it is a 2.8% reduction compared to the 33.2875 CF that has been in place since March 9th due to the expiration of the legislative increases Congress passed for 2024. See Table 126 (page 1,560) in the proposed rule for a more detailed explanation of the CF.
The proposed anesthesia CF for 2025 is 20.3340.

Table 128 (page 1,561) in the proposed rule shows the estimated total impacts the PFS will have on each specialty’s RVUs. With the exceptions of clinical psychology (3%) and clinical social work (4%), no specialty’s total estimated RVUs will be impacted by more than +/- 2% by the proposed rule.

Also in the proposed rule, CMS introduces many different new policies for Medicare telehealth services. These include expanding coverage for audio-only telehealth visits to any telehealth service furnished to a beneficiary in their home if the distant site physician or practitioner is technically capable of using an interactive telecommunications system, but the patient is not capable of, or does not consent to, the use of video technology. The proposed rule also would permit the distant site practitioner to use their currently enrolled practice location instead of their home address when providing telehealth services from their home.

CMS is additionally proposing to establish coding and payment under the PFS for a new set of advanced primary care management (APCM) services described by three new HCPCS G-codes which will be stratified into three levels based on number of diagnosed chronic conditions and enrollment as a Qualified Medicare Beneficiary.

The proposed rule also makes coverage changes to dental and oral health services, vaccines, colorectal cancer screenings, ambulance fee schedule reimbursement for blood transfusions, and radiopharmaceuticals in physician offices.

For MIPS, CMS proposes maintaining the current performance threshold at 75 points through CY 2025 and the 75% data completeness criteria through 2028 performance period. CMS also proposed six new MIPS Value Pathways (MVP): ophthalmology, dermatology, gastroenterology, pulmonology, urology, and surgical care

**Top Stories in Healthcare Policy**

This week CMS released the Hospital Outpatient Prospective Payment System (OPPS). This rule contains payment rates for hospital outpatient and Ambulatory Surgical Center Services. CMS proposed updating OPPS payment rates for hospitals that meet applicable quality reporting requirements by 2.6%. This update is based on the projected hospital market basket percentage increase of 3.0%, reduced by a 0.4 percentage point productivity adjustment.

In CMS’s first Qualifying Payment Amount (QPA) audit of a health plan since the No Surprises Act took effect, the agency found a wide range of errors in how the QPA was calculated by Aetna for air ambulance services.
The FTC published a report on the impact that Pharmacy Benefit Managers have of the affordability of prescription drugs. The report found that six PBM manage roughly 95% of all prescriptions filled. Reports suggest that the FTC will sue the three largest PBM.

According to a new AMA survey, the portion of physicians who experience burnout has dropped below 50% for the first time since the onset of COVID-19.

House Republicans sent letters to HHS and the GAO regarding improper ACA enrollment. Republicans hope HHS and the GAO will investigate the underlying causes and extent of the improper enrollments.

The CDC updated COVID-19, flu, and RSV vaccine recommendations. An updated COVID-19 vaccine is expected for August or September.

HHS ONC proposed the HTI-2 rule that would improve public health interoperability and information sharing through ONC’s Certified Health IT program.

Donanemab, an Alzheimer’s disease treatment, has been fully approved by the FDA. The drug will only be covered by Medicare Part B if beneficiaries participate in a registry to monitor the drug’s effectiveness.

President Joe Biden and Senator Bernie Sanders authored an op-ed demanding price cuts on weight-loss and diabetes drugs. The two have made lowering prescription drugs a signature issue.

The Biden Administration reminded hospitals and healthcare providers that they are legally required to provide abortions in emergency scenarios.

Three states will be joining an all-payer demo by CMS. The states will receive up to $12 million to work on curbing healthcare cost growth.

A US District Court blocked the implementation of a CMS rule that limits broker fees paid by Medicare Advantage plans.

The FDA updated guidance regarding misinformation related to approved medical products. Medical and pharmaceutical companies can now use targeted communication to address falsehoods and inaccurate information.

Medicare provider payment and utilization public use files have received their annual update. The data now includes info for 2022.