What Happened in Congress this Week?

On Thursday, May 16th, the House Energy & Commerce Committee health subcommittee advanced 21 health bills, including legislation that would extend Covid-era telehealth flexibilities by two years. The House Ways and Means Committee also advanced its version of a two-year telehealth extension last week. Although there are minor distinctions between the two bills, like ensuring equal payment for federally qualified health centers (FQHC) and rural health clinics for both in-person and virtual care, the bills are quite similar overall. There is a clear interest in extending telehealth flexibilities from various congressional committees.

Also on Thursday, the Senate HELP Committee held a hearing focusing on making dental care more affordable.

New Report Projects Medicare Solvency Through 2036

Last week the Social Security and Medicare Boards of Trustees released reports on the fiscal health and solvency of the Medicare and Social Security programs. The most notable finding from this year’s Medicare Trustees report is that the Hospital Insurance (HI) Trust Fund which funds Medicare Part A will be able to pay 100% of benefits until 2036, which is five years longer than last year’s report predicted. The report continued that, under the current forecasts, the program would then in 2036 be able to pay out 89% of total scheduled benefits barring no changes in funding the HI Trust Fund.

Avoiding HI Trust Fund Insolvency has been a primary motivation for federal health policy to focus on reducing Medicare spending. The new projected insolvency date provides additional breathing room. Nonetheless, having a date on the horizon will undoubtedly make it more difficult to increase Medicare spending in any way.
For example, it will continue to be difficult to pass policies that increase Medicare spending such as expanding Medicare coverage for telehealth or providing inflationary adjustments to the Medicare Physician Fee Schedule (PFS) Conversion Factor (CF). Contrarily, policies that decrease Medicare spending such as value-based care programs and site-neutral payments will continue to be attractive to policymakers.

Medicare Part B is financed separately from the HI Trust Fund. Medicare Part B is funded by the Supplemental Medical Insurance (SMI) Trust Fund which is sufficiently funded for the indefinite future since the program is covered by patient premiums and associated federal contributions from the treasury. The Trustees Report assesses that Part B financing is stable in both the short and long term.

**Top Stories in Healthcare Policy**

Hospitals are strongly urging UnitedHealth Group to alert patients if their data is compromised as part of the cyberattack on Change Healthcare immediately. They suggest that an immediate update is required under the Federal Trade Commission’s recently updated Health Breach Notification Rule.

This week HHS and the U.S. Department of Agriculture announced additional actions in response to avian influenza (H5N1). These actions include surveilling the safety of the milk supply, the CDC analyzing vaccine options, and the USDA encouraging farmers to engage in the public health response.

The Biden Administration released major new trade tariffs on China this week. As part of those tariffs, the US will impose a new 50% tariff on Chinese syringes and needles this year.

A new study conducted by SOAX has shown that healthcare is the industry most at risk of experiencing a cyberattack.

Senate Majority Leader Chuck Schumer released a Senate Roadmap for regulating AI.

Senator Amy Klobuchar (D-MN) sent a letter to the Department of Justice and the Federal Trade Commission urging them to investigate health plans for the use of AI to support anticompetitive pricing tactics. This follows several class action lawsuits against MultiPlan for anticompetitive pricing.

A physician payment reform bill titled the “Pay PCPs Act of 2024” was introduced this week by Senators Whitehouse (D-RI) and Cassidy (R-LA). The bill would create a hybrid Medicare payment system that rewards primary care providers based on patient health outcomes and reduces cost-sharing for patients who participate in certain primary care activities and services.
Appearing as a hearing witness to the House Education and Workforce Committee, HHS Secretary Xavier Becerra testified that CMS has improved the efficiency of hearing No Surprises Act (NSA) Independent Dispute Resolution (IDR) process disputes.

A notice of funding opportunity will soon be released by CMS’ innovation center on its Innovation in Behavioral Health Model. The Model, announced in January, “is focused on improving quality of care and behavioral and physical health outcomes for Medicaid and Medicare populations with moderate to severe mental health conditions and substance use disorder (SUD).”

The House Appropriations Committee previewed its FY2025 interim subcommittee allocations, which are the top-line spending levels for each of the 12 appropriations bills. The current proposal would cut Labor-HHS-Education spending by 10-11%. This is not final and will likely prompt contentious debate in the coming months.