



# H&K Health Dose: March 21, 2023

A weekly dose of healthcare policy news

## LEGISLATIVE UPDATES

### This Week: House and Senate Discuss Healthcare Costs and National Security Risks

The U.S. House of Representatives and U.S. Senate are both in session this week, following House Republicans' policy retreat in Orlando, Florida. The Senate Committee on Homeland Security and Governmental Affairs will be conducting a hearing entitled "[Drug Shortage Health and National Security Risks: Underlying Causes and Needed Reforms](#)" on March 22, 2023, and the House Committee on Ways and Means will conduct a hearing entitled "[Why Healthcare is Unaffordable: The Fallout of Democrats' Inflation on Patients and Small Businesses](#)" on March 23, 2023.

Meanwhile, the appropriations process is continuing to ramp up as House and Senate committees review President Joe Biden's Budget Proposal and receive testimony from department heads. U.S. Department of Health and Human Services (HHS) Secretary Xavier Becerra will be defending the president's Labor-HHS budget in front of the Senate Committee on Finance on [March 22, 2023](#), and will do the same on [March 29, 2023](#), in front of the House Committee on Energy and Commerce.

### Senate HELP Committee Releases an RFI Ahead of Upcoming Pandemic and All-Hazards Preparedness Act

Following a House Request for Information (RFI) issued several weeks ago by Reps. Anna Eshoo (D-Calif.) and Richard Hudson (R-N.C.), the Senate Committee on Health, Education, Labor and Pensions (HELP) issued a [RFI](#) on the reauthorization of the Pandemic and All-Hazards Preparedness Act (PAHPA). The RFI seeks stakeholder feedback on policies that the committee should consider during the reauthorization process, focusing on:

- Specific changes the U.S. Congress could make to improve the efficiency and effectiveness of current HHS programs and activities
- Current gaps in the PAHPA framework and HHS' capabilities
- Specific steps Congress could take to improve partnerships with states and localities, community-based organizations, and private sector and nongovernment stakeholders such as hospitals and healthcare providers on preparedness and response activities.

The HELP Committee is accepting comments through March 29, 2023, through [email](#).

### Senate HELP to Hold Series of Roundtable Discussions

Senate HELP Chairman Bernie Sanders (I-Vt.) and Ranking Member Bill Cassidy (R-La.) informed committee members last week about their plans to hold the following series of closed, informal roundtable discussions:

- March 23, 2023, on the need to improve apprenticeship programs
- March 28, 2023, on patient access to complimentary medicine
- April 18, 2023, on the need to support the aging population
- April 20, 2023, on surprise medical billing patient protections
- April 26, 2023, on transparency in the cost of healthcare services



## Senators Push to Bolster the Health Workforce

In the latest effort to address health workforce shortages, Sens. Dick Durbin (D-Ill.) and Marco Rubio (R-Fla.) [announced](#) introduction of the Restoring America's Health Care Workforce and Readiness Act. The bill seeks to reauthorize the National Health Service Corps (NHSC) through fiscal year 2026 (FY 26) and double funding for scholarships and loan repayment opportunities for health providers in underserved areas. The NHSC is set to expire on September 30, 2023, without congressional intervention.

## House Committees to Investigate CMS Data Breach

The House Committee on Oversight and Reform and Committee on Energy and Commerce announced that they will investigate the Centers for Medicare & Medicaid Services' (CMS) response to a ransomware attack that put the personal data of more than 250,000 Medicare beneficiaries at risk in October 2022. In a [letter](#) to CMS Administrator Chiquita Brooks-LaSure, Committee Chairs James Comer (R-Ky.) and Cathy McMorris Rodgers (R-Wash.) requested documents and communications regarding the data breach to assist in their investigation into the incident and CMS' response.

## Senate Republicans Voice Medicare Advantage Concerns

Last week, a group of 13 Republican Senators who sit on the Senate Committee on Finance sent a [letter](#) to HHS and CMS expressing concerns about proposed risk adjustment modifications for Medicare Advantage. The [February 2023 proposal](#) from CMS includes changes to the diagnostic system for some chronic conditions and other technical changes that some fear will lead to care disruptions and increased premiums for seniors. The senators stated that the "swift enactment of these reforms could spur confusion and uncertainty among health care providers and plans." The changes are set to go into effect on April 3, 2023.

## MedPAC and MACPAC Release Reports to Congress

The Medicare Payment Advisory Commission (MedPAC) released its [March 2023 Report to Congress](#). As required annually, the commission must make recommendations for updates to Medicare's payment systems, specifically focusing on what factors may affect payments in 2024. The report's 12 chapters focus on payments for hospitals, physician and other health professional services, ambulatory surgical centers, outpatient dialysis, skilled nursing facilities, home health, inpatient rehabilitation facilities, hospice, and Medicare Advantage and Part D. Lastly, the report contained a complete list of all the commission's votes and recommendations for the year in [Appendix A](#).

The Medicaid and Children's Health Insurance Program (CHIP) Payment and Access Commission (MACPAC) also released its [March 2023 Report to Congress](#). As required annually, the commission must make recommendations for updates to the Medicaid and CHIP programs. The report has four chapters, covering race and ethnicity data, nursing facility payment policy, drug coverage policies and disproportionate share hospital allotments.



## REGULATORY UPDATES

### **CMS Releases Details on Medicare Part B Prescription Drug Inflation Rebates**

On March 15, 2023, CMS [announced](#) the first set of 27 Medicare Part B prescription drugs that will be subject to inflation rebates, per policy under the Inflation Reduction Act (IRA). From April 1 to June 30, 2023, the 27 Part B drugs and biological products will have a reduced coinsurance based on the inflation-adjusted payment amount. CMS also released information about these 27 products in the quarterly average sales price (ASP) [public file](#). A [fact sheet](#) is also available. Note that the Part B drugs impacted by this coinsurance adjustment may change quarterly.

### **CMS Releases Guidance on Medicare Drug Price Negotiation**

Also on March 15, 2023, CMS released [initial guidance](#) regarding implementation of the [Medicare Drug Price Negotiation Program](#) as required under the IRA. This initial guidance describes how CMS intends to implement the Negotiation Program for initial price applicability year 2026 (January 1, 2026 to December 31, 2026) and specifies the requirements that will be applicable to manufacturers of Medicare Part D drugs that are selected for negotiation and the procedures that may be applicable to manufacturers of Medicare Part D drugs, Medicare Part D plans – both Prescription Drug Plans (PDPs) and Medicare Advantage Prescription Drug Plans (MA-PDs) – and providers and suppliers (including retail pharmacies) that furnish Medicare Part D drugs.

CMS is seeking comments on most of the policies in the guidance. CMS noted that the policy related to identification of selected drugs for initial price applicability year 2026 is considered final, with a small biotech exception. Comments are due by April 14, 2023, and CMS anticipates issuing revised guidance this summer for the first year of negotiation.