



Policy Brief

February 18, 2022



2023 Medicare Advantage Updates

CMS recently released the [2023 Medicare Advantage \(MA\) and Part D Advanced Notice](#), which includes payment and policy updates for the MA program. Many of the proposals included in the Advanced Notice are in line with the Agency's strategic direction to expand its total cost of care models. Included in the changes are a 7.98% pay increase in MA plans, efforts to increase health equity and new changes to the STAR Ratings System. For a more detailed breakdown, click [here](#). Below is the summary of key highlights.

Payment Increases and Plan Oversight

Next year's payment update is the largest rate increase since 2009. The 7.98% increase to MA plans and a 4.75% blended rate reflects the increase of health care costs due to inflation. CMS also proposes changes to increase MA plan oversight in an effort to ensure adequate MA offerings. The Agency is considering requiring that plans demonstrate meeting network adequacy standards as part of the application to offer new plans or expand into a new service area.

Health Equity and Behavioral Health

CMS is looking to focus on health equity through its STAR Ratings System. The Agency is investigating new measures and methodological changes that reflect a health equity index, screenings for social needs and stratifying scores by social risk factors. CMS is also making efforts to develop behavioral health specialties within MA networks. It is soliciting comments on

challenges to supplying and accessing behavioral health providers, opportunities to expand opioid addiction and substance use disorder treatment, and how to build adequate behavioral health networks.

Alignment with CMS Strategy and Medicare Predictions

CMS' 2023 Advanced Notice is in alignment with the Administration's goal to move 100% of Medicare beneficiaries into a [total cost of care](#) model by 2030. The MA program is a popular way to do this and has bipartisan appeal. The push to health equity and behavioral health will also likely continue to be seen in future rules. The large MA payment update could be an avenue to increase for fee-for-service updates as well, if Medicare continues to acknowledge inflation and the increase in health care costs.



Private Industry Rallies to Improve SDOH

Public health scholars agree—the conditions surrounding patients are some of the [most powerful influences](#) on a person's health and wellness. These conditions, called the Social Determinants of Health (SDOH), include individual choices, educational opportunity, financial wellness, faith traditions and the physical environment. Private companies, like [insurers](#) and [pharmacies](#), have begun looking to SDOH as a way to positively impact the [80% of health outcomes](#) *not* directly influenced by clinical care, demonstrating that federal policymakers are not the only ones looking to incentivize SDOH-focused initiatives in the future. We expect to see a growth of these initiatives, sparked largely by the need to reduce long-term costs and respond to [government efforts](#).

Aetna's CEO emphasizes that SDOH and equity-focused initiatives are “business issues,” not purely social or philanthropic ones.

Aetna, one of the nation's largest private insurers, have updated their health equity framework to underscore the long-term financial benefits of investing in SDOH. The company has launched [ten pilot studies](#), numerous analytical tools and a new [health equity framework](#) aimed at improving

employers' ability to tackle SDOH for employee beneficiaries. The payer urges large employers to see themselves as being uniquely positioned to address SDOH and protect employee health. Aetna has even published FAQs and "[mythbusters](#)" for executive leaders that explore the long-term payoff of improving equitable access to a healthy life.

Other private payers are also interested in addressing SDOH, making it a strategic imperative to control cost and improve health.

At Cigna, [SDOH and health equity](#) have now been made a dedicated, targeted part of the company's strategic imperatives. The company has infused its corporate responsibility strategy to [focus on SDOH](#), earning it repeated awards for innovation in health equity.

[Blue Cross and Blue Shield](#) (BCBS) has also developed standardized SDOH screenings and launched targeted initiatives tackling food security, neighborhood and inter-familial violence, and enrollees' financial health. BCBS CEO Kim Keck [acknowledges](#) that the payer still has "so much more work to be done," but hopes to continue reducing disparities and improving SDOH.

Pharmacies are also funding SDOH initiatives, often in partnership with other publicly-traded health companies.

For example, CVS plans to build on its [existing partnership](#) with Aetna through *Destination: Health*, a collaboration with a \$100 million budget. The pharmacy giant also hopes to improve access to affordable housing, dedicating millions of dollars to supportive housing initiatives in six states—including [Florida](#). The Pharmacy Quality Alliance [encourages](#) members to look for creative opportunities to screen patients for SDOH needs and connect them to resources wherever possible.



**A Renewed Federal Focus:
Addressing the Behavioral Health Crisis**

Within just two weeks, Committees in the Senate and House have hosted six hearings addressing America's behavioral health and Substance Use Disorder (SUD) needs, building momentum for potential new legislation and regulations this year. Understanding the general themes within these hearings gives us a snapshot of what to expect when we see action from the Hill. Keep reading to learn more about the main issues discussed in the hearings and how the federal government might respond.

Main Themes from Senate and House Committee Hearings

Legislators have demonstrated that they are poised to advance a bipartisan legislative package this year that helps Americans get the treatment and resources they need. Recurring themes within the hearings that will probably make their way into legislation include:

- Early behavioral health intervention and support to school-age children – There has been an 83% [increase](#) in the volume of threats of suicide or self-harm during the first year of the pandemic. Congress is very concerned about addressing the behavioral health needs of adolescents, focusing on suicide prevention. One strategy discussed was advancing legislation like the [Mental Health Services for Students Act](#), which would provide grant funding for school-based behavioral health services.
- Increase provider capacity and mechanisms to ease provider shortages – It is projected that by 2030 there will be a 20% [decrease](#) in psychiatrists. The COVID-19 pandemic has exacerbated the current clinician shortages, leading to increased burnout and early retirement. Addressing burnout and increasing the supply of new professionals joining the field are focal points of Congress. Legislation, like the [Dr. Lorna Breen Health Care Provider Protection Act](#), was highlighted as a remedy for improving behavioral health among health care providers.
- Equity concerns within the behavioral health workforce – Our current behavioral health labor force is [inadequately supplied](#) to serve our nation's evolving demographics effectively. Congress is also looking to improve diversity within the workforce.
- Medicare/Medicaid reimbursement and mental health coverage parity – Medicare was exempt from 2008 Mental Health Parity and Addiction Act (MHPAEA), meaning Medicare is not required to reimburse behavioral health services on par with physical health services. As a result, Americans turning 65 may lose access to treatment and services. Many behavioral health providers do not accept Medicaid coverage due to the program's low reimbursement rates, which leaves many Medicaid enrollees without access. Additionally, coverage roadblocks, such as prior authorization, make it harder for patients to access care. [The Improving Seniors' Timely Access to Care Act](#), which would streamline the prior authorization process under Medicare Advantage (MA) plans, was discussed as a possible solution.
- Increase access to care and expand telehealth – Estimates [suggest](#) that only half of people with mental illnesses receive treatment. Expanding access to care and making telehealth flexibilities permanent is a key concern for Congress.

Regulatory Changes

One issue attracting attention during the hearings was the MHPAEA [Congressional report](#), submitted to congress on January 21st. The 2022 MHPAEA report highlighted how many health plans and health insurers are failing to comply with the federal law by neglecting to deliver coverage parity for behavioral health and SUD benefits. This sparked [calls](#) from the Department

of Labor for regulatory changes that will grant them the authority to levy penalties against violators.

Senate and House Committee Hearings: Behavioral Health, SUD and Workforce Shortages

For more on the latest congressional hearings and what the health policy community is saying about them, click below:

- Senate Finance Committee
 - Protecting Youth Mental Health Part 1: [An Advisory and Call to Attention](#)
 - Protecting Youth Mental Health Part 2: [Identifying and Addressing Barriers to Care](#)
- House Energy & Commerce Committee
 - Americans in Need: [Responding to the National Mental Health Crisis](#)
- Senate HELP Committee
 - Mental Health & SUD: [Responding to the Growing Crisis | Hearing Summary](#)
 - Recruiting, Revitalizing & Diversifying: [Examining the Health Care Workforce Shortages | AHA Senate Statement | AHCA Summary](#)
- House Ways and Means Committee
 - [America's Mental Health Crisis | Hearing Summary](#)

Lawsuit Updates: The Surprise Billing Act

Two lawsuits [challenging](#) an [interim final rule](#) implementing the independent arbitration process of the No Surprises Act are moving forward. In Texas, a federal court has advanced to oral arguments in the Texas Medical Association's lawsuit. The suit alleges that the rule unfairly favors health insurers when directing arbiters to resolve payment disputes between insurers and physicians. A briefing is also underway in a [joint lawsuit](#) filed by The American Medical Association (AMA) and the American Hospital Association (AHA). The AMA/AHA lawsuit clarified that the organizations support the No Surprises Act but believe that CMS' regulation does not align with the process established in that law and Congress' intent. AHPA will keep you informed of any new updates in the cases.

Biden-Harris Administration Celebrates Black History Month

Every February since 1976, the U.S. President [proclaims](#) the month Black History Month. This month, the Administration's [Office of Minority Health and Health Equity](#) has published resources for the broader public health community on the history and future of minority health. Here's a sample of the resource set:

- **History:** [Timeline of Minority Health Achievements](#)
- **Blog:** [Conversations in Equity](#)
- **CDC Article:** [Interventions for Leading Minority Health Concerns](#)
- **HHS Fact Sheet:** [Celebrating Black History Month 2022](#)

Updates to COVID-19 Regulations

AHPA continues to follow new COVID-19 regulations, guidance and other government actions. The updates below are the latest developments to help mitigate the impacts of COVID-19.

New HCPCS Code for Outpatient Convalescent Plasma

CMS has released a [new HCPCS code](#) for convalescent plasma in the outpatient setting. HCPCS code C9507 may be used for treatment delivered on or after December 28, 2021

FDA Authorizes Antibody Against the Omicron Variant

The FDA has [paused](#) fast-tracking the Pfizer vaccine for kids under five. The Agency has decided to wait for the full set of data that shows whether two or three shots are needed for the age group. Pfizer expects the data to be ready by early April.



AHPA Resources

Missed a recent AHPA Webinar?

Visit AHPA's [YouTube channel](#), where members can stream webinars on demand at their convenience.

Below is a directory of the recent regulatory work that AHPA has conducted:

	Initial Summary	AHPA Comment	AHPA Summary
IPPS	<u>X</u>	<u>X</u>	<u>X</u>
OPPS	<u>X</u>	<u>X</u>	<u>X</u>
PFS	<u>X</u>	<u>X</u>	<u>X</u>
Surprise Billing: Part 1	<u>X</u>	<u>X</u>	<u>X</u>
Surprise Billing: Part 2	<u>X</u>	<u>X</u>	<u>X</u>
OSHA ETS		<u>X</u>	
CMS Vaccine Mandate	<u>X</u>		
Behavioral Health RFI		<u>X</u>	<u>X</u>
SDOH RFI		<u>X</u>	

WHAT WE'RE READING...

[Why Millions on Medicaid Are At Risk of Losing Coverage in the Months Ahead](#) – NPR

[Masks Off, Again](#) – Politico

[The Key Lesson COVID-19 Vaccines Taught Us About Menstruation](#) – Vox

[Trump-era Medicare Program Under Increased Scrutiny](#) – Politico