



Policy Brief

June 10, 2022



Latest Medicare Solvency Report Released

Medicare's Board of Trustees has released its annual report to Congress on the financial health of the Medicare program, which pays for [roughly 20%](#) of all medical care in the United States. Trustees have pushed back Medicare's depletion date (the time when the program is projected to run out of cash) [from 2026](#) to 2028. The economy is recovering from the COVID-19 pandemic more rapidly than expected, but HHS Secretary Xavier Becerra reminds the public that these calculations are based on February's numbers—before the latest COVID-19 spike and inflation increase. Keep reading for more on Medicare's financial health and why it matters to hospitals.

More breathing room in Medicare's budget could be good news for the program, but conservative analysts recommend continued caution. Economic calculations used within the report rely heavily on rising average wages. These calculations do not reflect the influx of claims paid during this spring's increase in COVID-19 hospitalizations. The Committee for a Responsible Federal Budget warns that these calculations “appear somewhat outdated,” and “likely understate inflation [while overstating] real economic growth.”

If the program's funds do get depleted by the projected date, Medicare will pay out only 90% of the current benefit, impacting roughly 64 million beneficiaries. The report also expects both inpatient hospital and physician payments to grow more slowly than actual medical costs, worsening an already [significant disparity](#) between Medicare reimbursement rates and the cost of care.

Without congressional action, Medicare’s financial challenges are expected to grow—but bipartisan solutions seem to be a long way away. The U.S. population is rapidly aging; economists and public health professionals expect increases in both the volume and intensity of services provided. As a result, [experts project](#) gross Medicare spending to spike from 3.9% to 6.0% of the nation’s GDP by 2040. One [solution](#) put forward by Sen. Rick Scott (R-FL) would require Congress to fully reauthorize Medicare every five years and report on a “bankruptcy plan” every year, a policy of which President Biden [firmly disapproves](#).



New Telemental Health Bill Signals Renewed Mental Health Priorities

The Senate Finance Committee recently [unveiled](#) new, bipartisan draft legislation, the [Telemental Health Access to Care Act](#). While several potential pieces of mental health legislation have been introduced into Congress, mostly [included](#) in larger gun reform bills, this bill specifically seeks to further expand telehealth in Medicare. The new bill is focused on providing telehealth flexibilities for mental health care, including preserving access to audio-only services. Congress is [continuing](#) to work on policies addressing mental health with the goal of passing a legislative package in the “lame duck” session later this year.

What is the climate around mental health in Congress?

Bipartisan mental health reform has been a growing priority for legislators; Congress has already held many hearings throughout the spring on this issue. The COVID-19 pandemic has [increased](#) the need for mental health treatment, leading to a push for more resources. Current gun reform laws, sparked by recent mass shootings, contain [proposals](#) to address the mental health crisis in addition to some gun safety measures. While only very narrow gun reform bills have a chance at passing, they reflect the increased pressure Congress is under to address mental health.

What is the Telemental Health Access to Care Act?

The [Telemental Health Access to Care Act](#) seeks to integrate telehealth further into Medicare and Medicaid programs and extend some of the telehealth flexibilities provided during the pandemic. The bill would:

- Codify removing Medicare’s in-person visit requirement as long as the beneficiary had an in-person visit with that provider in the last six months.

- Establish a “telehealth bill of rights” to inform beneficiaries of how and when they can access telehealth.
- Preserve access to audio-only mental health coverage that was provided during the COVID-19 pandemic.
- Direct Medicare and Medicaid to promote and support use of telehealth.
- Incentivize states to leverage their CHIP programs to provide behavioral health in schools, including through telehealth.

What can we expect to see with mental health in the future?

Both the House and Senate are crafting mental health packages that include grant funding and reauthorization of programs set to expire by the end of the fiscal year. An example of these bills is the [Restoring Hope for Mental Health and Well-Being Act](#), which would reauthorize over 30 mental health programs set to expire in September. Since mental health is a high priority, these programs will likely be reauthorized on time. However, the upcoming mid-term elections are likely to delay the passage of other mental health priorities, such as policies to advance mental health parity. The Biden Administration, according to the HHS’ agenda, is set to release two rules in the fall related to the provision of buprenorphine (used to treat substance use disorders) and mental health parity.



Food Banks:

Running Low on Bread and Cash

Food banks have been a refuge for Americans who cannot afford to put dinner on the table. Reliance on food banks greatly increased at the beginning of the COVID-19 pandemic and tapered off in 2021 due, in part, to temporary federal aid. Unfortunately, the number of people seeking assistance has [sharply increased](#) back to the 2020 level of demand — and food banks are struggling to keep up. [Operating costs](#) are eating into food banks' abilities to assist vulnerable individuals, leading some banks to reduce the amount of food given out or capping individuals’ eligibility. Keep reading to learn more about why this is happening and what is being done.

Why is this happening?

The [40-year high inflation](#) and [rising transportation](#) and food costs have strained the resources of everyone, particularly lower- and middle-income Americans. With the cost of food jumping by 10% over the year ending in March, demand for assistance has rapidly increased. Approximately 65% of America's food banks are [reporting](#) greater demand, with an average increase of 15% more people. Food banks have [reported](#) buying nearly as much food as they did in 2021 but are paying 40% more. Organizations that run these operations are also [projecting](#) a 20% decrease in donations from food manufacturers, a decline in private donations and a 45% drop in food provided by the federal government in fiscal year 2022.

What is being done?

Last week, the White House [unveiled](#) \$2 billion in new funding to strengthen food supply chains. The allowance will be made available through the March 2021 COVID-19 relief package, the American Rescue Plan and other relief legislation. Additionally, the U.S. Department of Agriculture (USDA) [announced](#) a new framework designed to shore up the food supply chain and transform the food system to be fairer, more competitive and resilient. While these measures might aid in lowering the cost of food, their presence will take time to lessen the demand on our nation's food banks.

Safety from Violence for Health Care Employees (SAVE) Act

Earlier this week, a bipartisan [legislation](#) was introduced that would give health care workers the same legal protections against assault and intimidation that flight crews and airport workers have under federal law. AHPA is [supportive](#) of this bill and will continue to monitor its progress on the Hill.



Legislative and Regulatory Dates to Know: A Look Ahead

Date	Event
July 1st	Return of full 2% Medicare payment sequestration
Early July	Physician, Outpatient (OPPS), Medicare Shared Savings Program (MSSP) Home Health rules
August	Release of final IPPS and post-acute care rules.
September 30th	Major Medicare programs expire, including: <ul style="list-style-type: none"> - Low-Volume Hospital Program - FDA user fees for prescription drugs and medical products - Behavioral health and other programs under the 21st Century Cures Act
November 8th	Midterm Congressional election
Early to Mid-November	Release of OPPS and PFS final rules
November 29th	Lame Duck session of Congress
January 1, 2023	Medicare Access CHIP Reauthorization Act (MACRA) bonus expires; Enhanced Health Insurance Exchange subsidies expire



A Look at the Federal Register

Proposed Rule: Basic Health Program

This [proposed rule](#) would update methodology and data sources necessary to determine Federal payment amounts to be made for program year 2023 to States that elect to establish a Basic Health Program under the Patient Protection and Affordable Care Act. The Program offers health benefits coverage to low-income individuals otherwise eligible to purchase coverage through Health Insurance Exchanges.



AHPA Resources

To read AHPA's summaries over current legislation and requests for information, click below:

[Cures 2.0 Act](#) | [Medicaid and CHIP RFI](#) | [Dr. Lorna Breen Provider Protection Act](#) | [IPPS Summary](#)

WHAT WE'RE READING...

[Shooting at Elementary School Devastates Community in South Texas](#) – NYT

[The Way the U.S. Pays for Nurses is Broken](#) – Vox

[Taking Action to Stop Gun Violence](#) – AHA

[How the Rising Cost of Food Could Affect Obesity Rates](#) – Tasting Table

[HHS Extends American Rescue Plan Spending Deadline](#) - CMS