

# Health Care Policy Update

## Health Care Policy Weekly Update and Outlook

Government Regulations

### Congress Passes Slimmed Down Healthcare Package

On March 8, Congress passed the first batch of FY2024 appropriations bills – avoiding a government shutdown, and a “skinny” healthcare package, including Medicare payment relief for physicians, boosting payments by 1.68% on March 9. This mitigates the 3.4% reduction to the Medicare physician conversion factor that took effect on January 1. The bill also extended incentive payments for physicians participating in an advanced payment model (APM) for an additional year in 2026 at a lower 1.88% bonus (vs. 5% in 2024, and 3.5% in 2025). The bill also delays Medicaid DSH cuts to hospitals (\$8 billion per year) until January 1, 2025. Community Health Center funding is extended through December 31, 2024, with a 10% increase to \$4.27 billion. The bill also extends Medicare low-volume hospital payments and Medicare dependent hospital program through December 31, 2024. Other proposals, however, did not make it into the package, including PBM reforms, transparency provisions, hospital site neutral payment reforms, or pandemic preparedness provisions. With many healthcare extenders expiring in December, we still expect another healthcare package by the end of the year.

### President Biden Healthcare Priorities in State of the Union Address & Upcoming FY2025 Budget Proposals

On March 7, President Biden delivered his State of the Union address, with a range of healthcare priorities and efforts. The President highlighted the Inflation Reduction Act drug pricing reforms, calling for an expansion of the number of Medicare drugs (to 50 drugs per year) included in drug price negotiation process. The White House also issued a factsheet highlighting a range of proposals including: extending the \$2,000 out-of-pocket cap on Medicare drug spending to the commercial market; extending the inflationary rebate on drugs with prices that exceed inflation (currently limited to Medicare drugs) to commercial drugs; extending expanded ACA premium subsidies beyond 2025; provide coverage to individuals in the Medicaid coverage gap in the 10 states that have not expanded Medicaid; increase federal funding for Medicaid home care services; expand and extend coverage for Mental Health services in both Medicare and commercial plans; extend Surprise Billing protections to ground ambulance services; and finalize regulations to limit short-term limited duration health plans. On March 11, the Biden Administration will also release its FY2025 budget proposals and may include additional details on these healthcare proposals.

### White House Announces new Strikeforce on HC Costs

On March 5, President Biden announced the creation of new Strike Force to crack down on unfair and illegal pricing, including a focus on prescription drugs and health care. The White House cited recent efforts on March-In rights for prescription drugs, as well as Medicare Advantage (MA) marketing oversight, recent investigations by the FTC and HHS into anti-competitive behavior by group purchasing organizations (GPOs) and drug wholesalers, and efforts to increase transparency and competition in MA markets. Separately, on March 5, the FTC, DOJ and HHS issued an RFI on private equity's impact on Healthcare, specifically noting the impact on staffing levels and quality of care.

11 March 2024

High Yield Credit  
United States  
Washington Healthcare

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#### Abbreviations

CMS: Centers for Medicare and Medicaid Services

HHS: Health and Human Services Department

DOJ: Department of Justice

FTC: Federal Trade Commission

ACA: Affordable Care Act

MA: Medicare Advantage

RFI: Request for Information

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# Health Care Policy Events for the Week

## Monday (March 11)

- President Biden to release his FY2025 Budget Proposals
- HHS Secretary Becerra Press Conference to discuss FY2025 Budget Proposals

## Tuesday (March 12)

- House Ways and Means Committee hearing on “Enhancing Access to Care at Home in Rural and Underserved Communities.”
- House Energy and Commerce Health Subcommittee markup on 19 healthcare bills
- Senate Budget Committee hearing on “President's proposed budget request for fiscal year 2025.”
- Joint Economic Committee hearing on “The Fiscal Situation of the United States.”
- Veterans Affairs Department meeting of the VA National Academic Affiliations Council (NAAC) to discuss Diversity in the Healthcare Workforce
- IQVIA webinar on “Top 10 Trends to Watch in 2024.”
- R Street Institute briefing on “Making Syringe Services Work in Red States.”

## Wednesday (March 13)

- Politico’s 2024 Health Care Summit.
- Business Group on Health/National Alliance of Healthcare Purchaser Coalitions Health Summit, “The Healthcare Cost Breaking Policy Solutions for Affordability.”

## Thursday (March 14)

- Senate Finance Committee hearing on “The President's FY2025 Health and Human Services Budget.”
- HHS National Advisory Council meeting on Nurse Education and Practice for the nursing workforce.
- Agency for Healthcare Research and Quality National Advisory Council (NAC) Meeting.

## Friday (March 15)

- FDA meeting of the Oncologic Drugs Advisory Committee

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