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**American Association of Healthcare
Administrative Management
(AAHAM – Philadelphia)**

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Agenda

I. Federal Updates

- 2022 Midterm Results & Implications
- Federal Public Health Emergency
- 340B Hospitals Cuts – Remedy Delayed
- Greater Oversight of Commercial and Medicare Advantage Plans

II. State Updates

- 2022 Midterm Results & Implications
- Prior Authorization Reform Passed in Pennsylvania
- HAP Webinar – January 26, 2023
- Pennsylvania State COVID-19 Waivers – Provider Resources
- Venue Rule Change – Hospital Strategy
- DHS Provider Enrollment – November 2022
- Alert – Aetna Example

III. Questions?



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Federal Update

2022 Results

- ▶ U.S. House of Representatives - flipped to Republican control



- ▶ U.S. Senate – control hangs in the balance!

Georgia runoff election – December 6, 2022



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Observations

- ▶ Ds lost the House, but did much better than expected overall
- ▶ No “big red wave” – except Florida
- ▶ Most Republicans who won were not MAGA candidates
- ▶ Even though exit polls showed that swing voters thought the country was on the wrong track in many areas, they were not willing to give Trump candidates their votes
- ▶ Republican governors did well; there could be viable alternatives to Trump for 2024 (Ron DeSantis, FL; Glenn Youngkin, VA)
- ▶ Abortion rights are resonating with voters



What Does This Mean for Healthcare in 2023 and 2024?

- ▶ Congress and the country remain polarized
- ▶ Governing could be a challenge
- ▶ Unlikely to see any big policy changes
- ▶ Some Rs may want to reach across the aisle to show they can get things done (in advance of 2024 general election)
 - Prevent PAYGO Cuts
 - More funding for behavioral health
 - Preserve Telehealth
 - Pandemic relief



Short Term - End of Year Package

- ▶ December 16, 2022 – Government funding runs out
- ▶ \$7.25 billion – “Skinny” package (unless they find more money)
 - Preventing 4% PAYGO cuts
 - Rural hospital relief:
 - Medicare-dependent hospital program
 - Enhanced low-volume adjustment program



Other Hospital Priorities

- ▶ Establishing a temporary Medicare per diem payment
- ▶ Creating a special statutory designation for certain hospitals that serve marginalized urban communities
- ▶ Extending telehealth policies implemented during the COVID-19 Public Health Emergency
- ▶ Extending the hospital-at-home program
- ▶ Streamlining the prior authorization process in Medicare Advantage plans



Long Term Implications

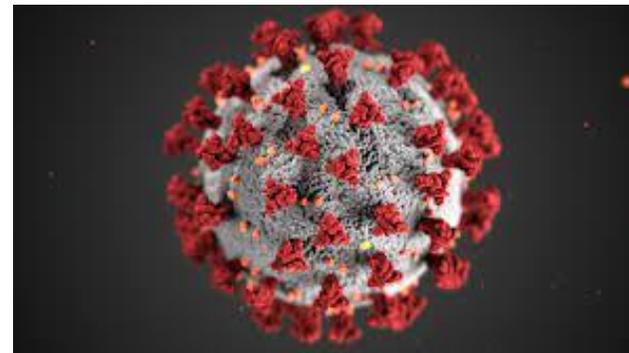
- ▶ Depending on outcome of Georgia election - could be harder for President Biden to advance his policy priorities
- ▶ Very polarized politics
- ▶ Gridlock in DC
- ▶ More investigations
- ▶ Greater scrutiny on spending



Federal Public Health Emergency (PHE)

October 13, 2022 – HHS Secretary Becerra again extended the COVID-19 PHE

- ▶ This 90-day extension takes us to January 11, 2023
- ▶ 1135 federal waivers continue
- ▶ The federal government committed to giving states 60 days advance notice before ending the declared emergency
- ▶ **60 days before January 11, 2023 was November 12, 2022**
- ▶ **No federal notice issued to date**



Federal PHE – CMS Provider Fact Sheets

▶ Posted August 18, 2022

<https://www.cms.gov/coronavirus-waivers>

▶ Roadmap for the end of the federal PHE by provider type

▶ What will be covered from a COVID perspective going forward



Unwinding the PHE in Pennsylvania

- ▶ The state is now talking about a 12 month unwinding period
- ▶ OIM is leading the “unwinding” effort for Pennsylvania (working with OMAP) because eligibility redeterminations are the priority
- ▶ Per DHS, there are about 500,000 individuals who have maintained Medicaid enrollment, despite not meeting eligibility criteria and having not returned all renewal information requested.
 - About 330,000 are expected to be ineligible once the federal PHE ends
- ▶ There are an additional 400,000 people have not yet returned any renewal information

900,000 redeterminations will have to be processed



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U.S. Supreme Court Rules in Favor of 340B Hospitals – June 15, 2022

- ▶ *American Hospital Association et al. v. Becerra, Secretary of Health and Human Services, et al.*
- ▶ Unanimous decision
- ▶ **The U.S. Supreme Court held that the payment cuts from 2018 and 2019 were unlawful because CMS did not conduct an acquisition cost survey before it made the cuts.**
- ▶ HAP filed joint amicus briefs with other states in support of the AHA position, and our amicus was quoted by the Court at the end of the opinion



340B Hospital Cuts – Remedy Delayed

- ▶ After the U.S. Supreme Court ruling, procedurally, the case was sent back to the lower courts to determine the remedy
- ▶ Hospitals want to get the remedy implemented as quickly as possible
- ▶ CMS issued 2023 OPPS/ASC Final Rule November 1, 2023
 - **Defers 340B remedy for CYs 2018-2022 until 2023**
- ▶ The 340B program has been under scrutiny in past administrations and depending on what happens with the next general election, program changes, including reimbursement cuts, could be back on the table
- ▶ HAP Comment Letter – August 12, 2022 September 13, 2022



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Greater Federal Oversight of Commercial, Medicare Advantage Plans Needed

November 2, 2022 – AHA released new resources

- ▶ Survey of hospitals and health systems
- ▶ Real life examples of how inappropriate actions by some insurers have impacted patients
- ▶ Policy recommendations to curtail insurer conduct
- ▶ Letter to HHS Secretary Xavier Becerra



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State Updates

2022 Pennsylvania Results

- ▶ John Fetterman (D) will be Senator
- ▶ Josh Shapiro (D) will be Governor
- ▶ PA House – Democrats will take control for first time since 2010
(by a very narrow margin: 102-101)
- ▶ PA Senate – Republicans maintain control (28-22)



Prior Authorization Reform Passed in Pennsylvania

- ▶ SB 225 passed on October 26, 2022
- ▶ Unanimous concurrence on House amendment
- ▶ Signed by Governor Wolf November 3, 2022 – **Act 146 of 2022**
- ▶ Applies to commercial plans, Medicaid MCOs and CHIP plans
- ▶ Does not impact ERISA plans
- ▶ Makes Pennsylvania ACA compliant
- ▶ Most provisions take effect January 1, 2024



State Prior Authorization Reform – SB 225

- ▶ **The most significant patient-provider legislation passed in the last two decades!**
- ▶ A true compromise bill
- ▶ Amends the Insurance Company Law of 1921
- ▶ “Covered person” – Commercial plans
- ▶ “Enrollees” – Medicaid MCOs and CHIP plans



Hospital “Wish List” from 2019

1. A standardized prior authorization process
2. Defined timelines for insurer to respond
3. Specificity from insurer on what the request is missing
4. Insurer to specify which services require prior auth
5. Insurer availability for decisions during weekends
6. Ability to perform/get paid for “closely-related services”
7. Denials and peer-to-peer reviews by the same or similar specialty
8. More PID oversight/monitoring of insurers



Defined Timelines for Insurer Response

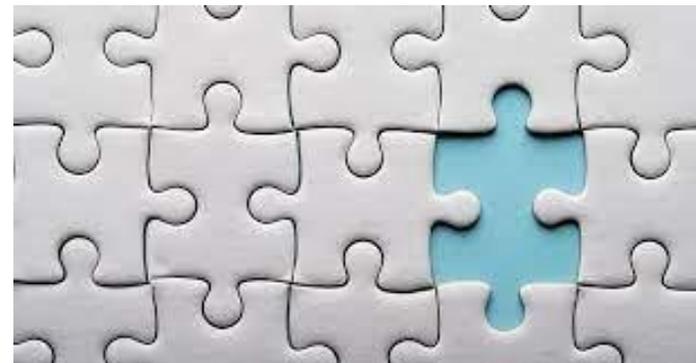
From time of initial provider request; not “complete request” as determined by the insurer:

- ▶ **Urgent health care services:** as soon as possible, but no more than 72 hours. If request is made 24 hours prior to reduction or termination of treatment; within 24 hours
- ▶ **Non-urgent medical services:** not more than 15 days total
- ▶ **Prescription drugs:** Urgent requests not more than 24 hours; Standard requests, not more than two business days and not more than 72 hours



Insurer Specificity on What is Missing

- ▶ If a prior auth request is missing clinical information:
 - **Clinical information needed to complete an insurer review** – the insurer must notify the provider as soon as reviewed, with enough specificity to enable identification of the necessary information required to complete the review.
 - The provider can request up to 45 days additional time beyond these limits if necessary



Services That Require Prior Authorization

- ▶ A requirement that all insurers publicly post online a list of health care services and drugs that require prior authorization



Insurer Decisions During Weekends

- ▶ A requirement that insurers, Medicaid MCOs and contractors assure availability and accessibility of adequate health care providers in a timely manner (network sufficiency).



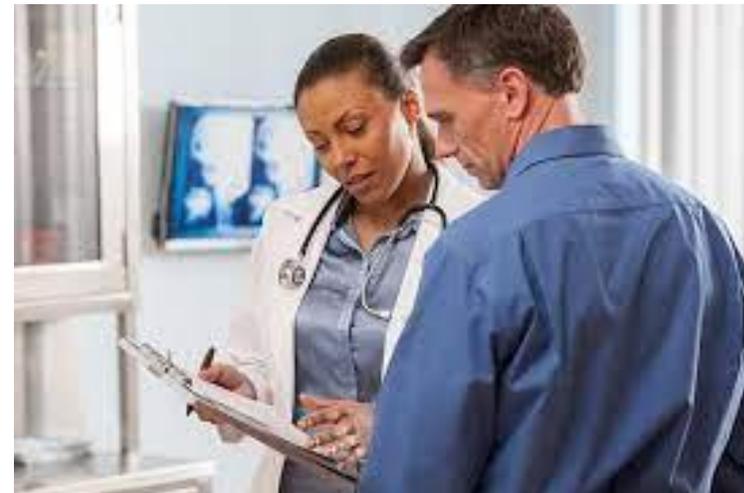
Ability to do “Closely-related Services”

- ▶ Expansion of “closely related services” not requiring prior authorization to include “prudent health care provider reasonably expected to perform in conjunction with or in lieu of an originally authorized service in response to minor differences in patient characteristics or needs for diagnostic information not readily identifiable before performing the authorized service.”
- ▶ If diagnostic testing demonstrated the need for additional services, these would be covered under the revised definition, not just the issues identified during procedures or surgeries.



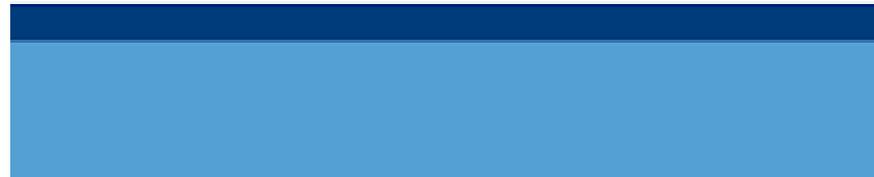
Insurer Denials and Peer-to-Peer Reviews Done by a Practitioner of the Same or Similar Specialty

- ▶ A requirement that any denial of prior authorization can only be after review or consultation with a licensed medical professional in the same or similar specialty



Increased Monitoring of Insurers

- ▶ A requirement that insurers report number, type, and disposition of all complaints and grievances and adverse benefit determinations, filed to the Pennsylvania Insurance Department for enforcement and compliance.
- ▶ There are also a number of other transparency requirements included in this legislation.



Save the Date

January 26, 2023, 11:00 ET



Prior Authorization Reform



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Implementation Update – New MCOs 9-1-22

- ▶ No significant program-wide issues identified per DHS
- ▶ Auto-assigns were done by equal distribution with each zone
- ▶ Known issue – some people who were auto-assigned were given new PCPs that were in network with the MCO that the person was assigned to; some enrollees were unhappy with this
- ▶ DHS is monitoring the number of people asking to change plans (churn rate)
- ▶ Everyone should have had ID cards and welcome packets by mid-October



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Pennsylvania COVID-19 Waivers

- ▶ State waivers expired October 31, 2022



- ▶ The federal PHE 1135 waivers remain in place

PA COVID-19 Waivers - Provider Resources

- ▶ PA Department of State – [Waived and Suspended Licensing Regulations](#)
 - Includes a section for Telemedicine FAQs
- ▶ [DHS COVID-19 Provider Resources](#)
- ▶ Act 98 of 2022 – October 28, 2022
- ▶ HAP Bulletin November 3, 2022:
 - DOH Releases Updated Hospital COVID-19 Response Guidance



Venue Rule Change – Hospital Strategy

- ▶ August 25, 2022 - PA Court changed the venue rule that had been in place for 20 years
- ▶ **Effective January 1, 2023**, plaintiffs can again choose to file suits where higher amounts are awarded for medical malpractice claims
- ▶ This will have ripple effects on budgets, health care and workforce
- ▶ HAP is developing a strategy to position ourselves to impact this decision at the first opportunity; likely 2 years from now



DHS Provider Enrollment – November 2022

- ▶ DHS staff is working hard, but volumes are an on-going challenge - there has recently been “a huge increase in the volume of new applications”
- ▶ General processing timeframes (business days):
 - Reactivations = 41
 - New applications = 66
 - Revalidations = 123
- ▶ This is a priority issue for HAP to address with Governor Shapiro’s transition team



Alert – Aetna Example

You could save 50% to 90% on a procedure by choosing a location that's not a hospital.*

Depending on whether you choose to have a procedure outside a hospital, you could see serious savings. It's also generally safer and can be a good choice if you're concerned about **COVID-19**.**

Ask your doctor if going outside a hospital is right for you.

Go to **[Aetna.com/Save](https://www.aetna.com/save)** now to find care options outside a hospital.



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QUESTIONS?



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