

Heard on the Net

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Era of 'Free' Vaccines, Test Kits, and Treatments Is Ending. Who Will Pay the Tab Now? - "If half of adults -- about the same percentage as those who opt for an annual flu shot -- get COVID boosters at the new, higher prices, a recent KFF report estimated, insurers, employers, and other payors would shell out \$12.4 billion to \$14.8 billion. That's up to nearly twice as much as what it would have cost for every adult in the U.S. to get a bivalent booster at the average price paid by the federal government."

Rising Costs Blamed For Kaiser Permanente's \$4.47 Billion Net Loss - Kaiser Permanente, an Oakland-based integrated nonprofit, on Friday reported a \$4.47 billion net loss in 2022, compared with an \$8.08 billion gain in 2021. Expenses rose 4.5% to \$96.68 billion, driven by increased care volume due to previously deferred procedures, higher costs of goods, and increased spending on labor.

Hospital Lobby: Emergency Funds Needed To Keep Doors Open - The California Hospital Association says treating people with covid, combined with long-term financial issues, has put medical institutions on the edge of insolvency around the state — and they need an immediate lifeline of \$1.5 billion from California to prevent more from having to close.

No More Surprise Medical Bills: Texas Court Again Vacates Arbitration Provisions of Surprise Billing Rule - "The Departments issued a Final Rule in August 2022, which replaced the interim provisions vacated in TMA I. Under the new Final Rule, IDREs are directed to consider the QPA first, but may consider the non-QPA factors.... As with the first case, the Plaintiffs alleged that the revised arbitration provisions still improperly restricted IDREs' authority to consider the non-QPA factors. The court agreed again at the summary judgment stage and ruled that the Final Rule had once again exceeded the Departments' rulemaking authority."

CMS Halts IDR Process After Texas District Court Ruling- "On February 10, 2023, [CMS instructed] Independent Dispute Resolution (IDR) entities to hold all payment determinations in out-of-network disputes until CMS issues further guidance. IDR entities were further instructed to recall any payment determinations issued after February 6, 2023. This surprise instruction comes on the heels of a February 6 win by the Texas Medical Association (TMA) against a Final Rule promulgated under the No Surprises Act (NSA) that gave preference to health plans' Qualifying Payment Amount (QPA)."

Certified IDR Entities to Resume Payment Determinations for Services Furnished Before October 25, 2022 - "Effective February 27, 2023, Certified IDR Entities will resume issuing payment determinations for disputes related to services and items furnished prior to October 25, 2022.... The **announcement** comes just two weeks after the Departments directed Certified IDR Entities to hold all pending payment determinations ... IDR payment determinations for services and items furnished on or after October 25, 2022 are still on hold, pending additional guidance from the Departments."

Eli Lilly Slashed Insulin Prices. This Starts a Race to the Bottom - Eli Lilly's news that it plans to cut insulin costs for patients will help, not hinder, the recent efforts in California and by entrepreneurs such as Mark Cuban to offer lower-cost alternatives, drug pricing experts said.

Health Industry Could Be Playing Defense On Medicare - After years of trying to squash the expansion of government-funded health care and preserve business from private payers, the health care industry is suddenly facing new threats to the revenue it receives from the Medicare.

Medicare Politics Are On A Crash Course With Reality - There's an inconvenient truth underneath the politics of Medicare — its finances are simply unsustainable. Medicare is one of the largest line items in the U.S. budget, and as the population ages, it's expected to only get more expensive.

The Hill: Social Security Set to Run Short Of Funds One Year Earlier Than Expected - Social Security funds are set to start running a shortfall in 2032, one year earlier than previously expected, the director of the Congressional Budget Office (CBO) said on Tuesday. "The Social Security solvency date — the exhaustion date for the trust fund — is now within the budget window," CBO Director Phillip Swagel said, referring to the 10-year period covered by the agency's annual report.

What Amazon's Subscription Drug Service Means for the Pharma Affordability Crisis- "Amazon's launch of RxPass is part of a sustained healthcare push by the company and represents an effort to increase the accessibility of pharmaceuticals in the United States. While the tech giant certainly has enough resources and capital to make a difference in this critical area, ... the current version of RxPass does not cover the specialty medicines that are causing the lion's share of financial hardship for Americans and their employers."

Insurers Balk at Proposed Changes to MA Marketing Rules - Medicare Advantage and Medicare drug plans told the Centers for Medicaid and Medicare Services that too much regulation at once could drive up costs and result in increased premiums or fewer benefits. Public comment closed this week on a proposal to crack down on Medicare Advantage marketing practices, impose other standards on Medicare drug plans and create requirements to increase access to behavioral health and culturally competent care.

Important Reminders for 2022 ACA Reporting - "[1] Check the correct box in column (a) in part III of the Form 1094-C ... [2] Make sure the Forms 1095-C are accurate ... [3] State reporting requirement ... [4] Tips on how to handle IRS ACA penalty letters."

What Are the ACA Requirements for Out-of-Pocket Maximums? - "The maximum annual limits on cost sharing that a group health plan can impose for 2023 is \$9,100 for self-only coverage and \$18,200 for family coverage (\$9,450 and \$18,900, respectively, for 2024).... Plans are not required to include premiums, balance billing amounts for non-network providers or spending for non-covered services. While the OOPM limit only applies to EHBs, many employers apply the OOPM limit to all in-network benefits to ease plan administration."

COBRA Deadlines and the Upcoming Expiration of the COVID-19 National Emergency - "As of July 11, 2023, generally applicable deadlines to make COBRA elections; make initial or monthly COBRA premium payments; provide notification of Social Security disability determinations, HIPAA special enrollment or COBRA qualifying events; and file claims, appeals, and for external review will resume.... Current guidance does not impose specific notice requirements (e.g., furnishing a dedicated notice to plan participants advising of adjustments to plan deadlines)."

Employer-Sponsored Health Plan Changes for End of COVID-19 National Emergency - "As a result of the end of the National Emergency, the tolling of health plan deadlines based on the Outbreak Period extension will end on July 10, 2023. For example, if an employee's 60-day COBRA election period began on Sept. 1, 2022, the election period will no longer be tolled as of July 10, 2023, and COBRA coverage must be elected within 60 days of July 10. However, if an employee's COBRA election period began on July 5, 2022, tolling will end on July 5, 2023 due to the maximum one-year tolling period, and the 60-day election period will begin on that date."

How Plan Sponsors Can Prepare for End of COVID Emergency Declarations- "[1] Review group health plan terms for COVID-19-related coverage, including testing, vaccines and treatment.... [2] Review benefit terms or offerings made under temporary COVID-19 relief laws and guidance.... [3] Review grandfathered health plans to determine whether to revoke (without losing grandfathered status) any benefits added during the PHE.... [4] Confirm the proper winding down of extended deadlines for claims and appeals, HIPAA special enrollment elections, and COBRA elections and payments with insurers and third-party administrators."

Despite Choices, Enrollees Not Spending Time on Health Plan Decisions (PDF) - "Most enrollees spent less than an hour on their health plan during open enrollment....About 6 in 10 individuals reported that they have a choice of health plan.... Most people thought that the following aspects were very or somewhat important: the network of health care providers, low out-of-pocket costs, low premiums, prescription drug coverage and simple to understand.... Enrollment in health savings account (HSA)-eligible health plans and health reimbursement arrangements reached a record high in 2020 with 19% enrolled in such a plan."

Moving to an ICHRA Does Not Have Significant Impact on Overall Plan Participation - "Changing from traditional group insurance to an ICHRA model had little impact on overall participation; however, older employees are more likely to enroll in an ICHRA than younger employees despite generally having to pay more.... Enrollees are generally electing more prevalent HMO/EPO plans on the individual market and are often buying down from their current coverage.... When individual plans are less expensive, employers contribute lower monthly subsidies and reduce their benefits budget."

Compliance Considerations When Offering COBRA Subsidies - "Employers who are contemplating whether to provide COBRA subsidies should determine the eligibility for, the amount and duration of, and method by which to provide the subsidies and ensure they obtain approval from their carrier (if fully insured) or their stop-loss provider (if self-insured), as needed. To minimize potential conflict or liability, employers should explicitly outline these details in any severance agreement and communications to terminated employees."

IRS Effectively Eliminates Paper Filing for Forms 1095-C - "In the final rule, the IRS dropped the threshold for electronic filing to 10 informational returns and now requires employers to aggregate certain informational returns when determining whether the employer has satisfied the 10-informational return threshold (while there are forms in addition to the Forms W-2 and 1095-C that must be aggregated for this purpose, these appear to be two of the more common informational returns that are subject to this aggregation requirement)."

ACA Coding Error Penalties Are Coming Soon - "One common error is a failure to check 'Yes' in column (a) of Part III of the Form 1094-C to confirm that the employer offered coverage to at least 95% of full-time employees and their dependents. Another common error is the employer failing to enter the appropriate code on Line 16 of the Form 1095-C."

2022 RxDC Reporting: What All Plans Should Know - "Even though employers and group health plans just finalized filing 2020 and 2021 RxDC reports with CMS (reports were due by January 31,2023), they must quickly shift their attention to the 2022 RxDC reporting. For the 2020 and 2021 calendar reporting years, CMS made several concessions ... However, based on statements made by CMS representatives in recent webcasts and events around RxDC reporting, there will be no concessions granted for the 2022 reporting year."