

**Subject:** REDC Policy Update 9.27.19

Good Afternoon REDC Members and Happy Friday,

Below is your weekly REDC policy update:

## **SERVE Act:**

### **Senate SERVE Act set to be introduced in mid-October**

Senator Shaheen (D-NH) and McSally (R-AZ), both members of the Senate Armed Services Committee, have officially agreed to lead the SERVE Act and the text of the legislation has been finalized.

The final text of the Senate bill is a little different than the House bill in the following ways:

The bill continues to remove the age limit for TRICARE family members to receive treatment and permits freestanding residential treatment centers to contract with TRICARE

However, a couple of items have been added/changes including:

Requiring (instead of encouraging in the House bill) Commanding Officers and Supervisors to receive mental health early identification training (including eating disorders)

Removing contract expediting for TRICARE authorized centers who open new branches

Removing an assurance that secondary diagnosis are also covered (this is current law and both offices assured us we can work on this with more data- but outside of the bill)

Adding in a new requirement that when a facility contracts with TRICARE, that they provide outcome measurements of the patient's recovery when reasonably possible

*Note DOD has been pushing hard to require outcome measurements 6 months after discharge of a patient with no contingency- so this was the negotiated text that does not require "6 months" and adds the contingency of when it is possible to collect such data*

### **As next steps:**

We will be working with Centers in New Hampshire & Arizona and the EDC to put out press releases for this introduction

Additionally, we will be working on gaining "original sponsors" prior to introduction in order to show even greater bipartisan support

### **House SERVE Act**

This past week, we gained two new co-sponsors to the SERVE Act: Rep. Levin (D-CA) [Thank you Montecantini for your advocacy] and Rep. Bilirakis (R-FL)

We've met with a number of offices over the last two weeks including: Rep. Dingell (D-MI), Rep. Abraham (R-LA), Rep. Foster (D-IL), Rep. Bass (D-CA), Rep. Lujan (D-NM) and Rep. Kennedy (D-MA)

## B. ACA—CONGRESSIONAL

### **Senate Democrat Files Discharge Petition to Force Vote on Trump ACA Waiver Guidance**

Senator Mark Warner (D-VA) filed a discharge petition this week to force a Senate vote on the Trump Administration's loosening of restrictions on ACA Sec. 1332 waivers.

The petition backed by all Senate Democrats starts the clock on a process that requires the chamber to hold a vote by November 12<sup>th</sup> under the Congressional Review Act.

This petition is a long-shot challenge on federal guidance that allows states greater flexibility to design health plans that provide skimpier coverage than traditional ACA-compliant plans. Currently, no state has rushed to pursue this new option close to a year after it was finalized by the Centers for Medicare and Medicaid Services (CMS).

The REDC provided regulatory comments on the potential negative impact of this guidance during the open comment period.

### **Congressional Budget Office Predicts Arbitration for Surprise Medical Bills Would Increase Deficit**

Earlier this week, the CBO projected that solving surprise medical bills through an arbitration model would increase the federal deficit by "double digit billions" over 10 years.

However, the House Reps. Raul Ruiz (D-CA) and Phil Roe (R-TN) are pushing back against the CBO's projections citing New York State has adopted this model and that New Yorkers have saved more than \$400 million through the end of 2018 in emergency services costs alone.

This projection by CBO adds another layer of complexity for the House as the cost could deter other Congressional members from supporting this solution favored by hospital groups and providers.

## C. ACA—REGULATORY

### **Average Annual Cost of Employer-Sponsored Health Coverage Hits \$20,000**

The figure marks a 5% jump from last year and continues an 8-year trend of increases, according to the [Kaiser Family Foundation's annual survey of workplace coverage](#).

The costs of covering works is up 54% from a decade ago when a family plan cost \$13,375.

That's far outpaced wage growth, which was at 26% over the same period.

The average employee with a family plan pays \$6,015 toward the premium, or about 29% of the total.

Employees are also paying more in deductibles. Nearly half of small business employees and 28% of all workers now have at least a \$2,000 annual deductible, and 13% have at least a \$3,000 deductible.

### **Judge Dismisses Oscar Health's lawsuit Against Florida Blue Cross Blue Shield**

A federal judge dismissed Oscar Health lawsuit seeking to block Florida BCBS from enforcing exclusivity agreements with insurance brokers.

The judge stated the agreements were lawful, rejecting arguments they prevented the insurance startup from competing in the state.

The Department of Justice sided with Oscar in the case, asking the judge not to dismiss the antitrust claims.

Interestingly, Oscar Health is co-founded by Jared Kushner's brother. Jared Kushner is married to President Trump's daughter, Ivanka.

## **STATE ACTIONS**

### **Eating Recovery Center in Chicago Welcomes Staff from Senator Duckworth's Office**

Thank you to Cindy Brom for hosting Senator Tammy Duckworth's (D-IL) Outreach Coordinator/Casework last week to tour your Huron Street facility!

### **Indiana: Two Legal Aid Groups Suing to Block Medicaid Work Requirements**

The National Health Law Program and Indiana Legal Services brought a lawsuit on behalf of 4 Medicaid beneficiaries in the U.S. District Court of D.C.

This is the same court where a federal judge has blocked similar Medicaid work rules in AR, KY and NH.

### **New Hampshire: Now Disbanded Medicaid Work Requirement Cost \$187,000**

NH state officials spent over \$187,000 this summer attempting to get low-income resident into compliance with the now-defunct Medicaid work requirement.

The bulk of the spending went to an outside agency to call members of the program and get them into compliance.

In July, a judge ruled that the federal government had misused its authority in approving the new requirement, putting its implementation to an immediate halt.

Best,  
Katrina and Allison