

6/5/2020

Happy Friday REDC Members,

Below you'll find the REDC update for this week. Please note, the SERVE Act may be voted on via amendment next week within the Senate Armed Services Committee, and there will be an action alert sent out on Monday.

SERVE Act:

- **The Senate Armed Services Committee will be marking up the NDAA in the subcommittee on Tuesday (6/9) at 2:30PM and in Full Committee on Wednesday and Thursday (6/10 and 6/11). Current intel shows in short, that Shaheen/McSally are working on an amendment to include a vote on the SERVE Act during this markup on Wednesday/Thursday.**
- Due to Senate Committee rules, the public (aka us) aren't allowed to know exact details of what is in the NDAA underlying legislation, however, what I've gathered from our leads is as follows:
 - There may be some portions of the SERVE Act within the underlying bill (likely things that don't cost money- the training requirements for Supervisory Personnel and removing access to care barriers so everyone can apply to contract with ease), and Senators Shaheen and McSally are working on an Amendment to remove the military dependents RTC age limit for the Full Committee markup on Wednesday.
 - Senate Majority staff (Chairman Inhofe from OK) still is pushing back due to cost of the removing the age limit for dependents, but the leads are really working hard to find an offset.
 - What an amendment means is that the Full Committee would take a vote on the SERVE Act provisions (in whole or part). However, it does act as a political tool, in that it may pressure the Committee to include in the underlying legislation so to not have members take a public vote on something that may hurt them in election.
- Additionally we've also learned that the Defense Health Agency (who oversees TRICARE) is trying to push the Chairman's office for them to remove the age limit on the regulatory side. This would need to be an official federal regulation (which becomes law) for it to have the same effect as legislation. However, we are a bit skeptical that DHA would actually do this so are pushing hard for legislation w/o seeing an actual FR notice from DHA.
 - However, what this does show us is that the DOD and the Senate Chairman is really feeling the pressure from the SERVE Act advocacy, so they are trying to work things out.
- Lastly, I want to measure expectations here, as I'm feeling hopeful, but cannot assure what the final result (whether SERVE passes through Committee in whole or in part) will be in the Senate Armed Services Committee markup next week. There are many steps in the process, so if the Senate doesn't include all the provisions, we still have the House

Armed Services Committee markup, and both the House & Senate Floor votes to keep adding things in.

- **House Armed Services Committee** will mark up the NDAA on July 1st. Here, I know that at least 2/3rds of the SERVE act is within the underlying NDAA, and they are still working on the offset

COVID-19 4TH PACKAGE ISSUES

I. Increased Efforts to Maintain Telehealth Flexibilities Post Pandemic

- a. Stakeholders are increasingly pressuring lawmakers and CMS to extend the COVID-19 telehealth waivers, and some lawmakers, including Senators Grassley (R-IA), Cruz (R-TX) and Lee (R-UT), have expressed support for extending regulatory waivers and easing state licensing restrictions that affect telehealth across state lines.
- b. Not all waivers issued can be extended beyond the public health emergency as the requirements that govern Medicare telehealth are statutory in nature and can only be revised through Congressional action/change in statute.
- c. CMS Administrator Verma has indicated the agency is looking at what regulatory changes could continue after the end of the health emergency.
- d. The College of Healthcare Information Management Executives, American Medical Group Association, Association of American Medical Colleges, Center for Connected Health Policy, and the Mental Health Liaison Group (which REDC is a member) have all requested a transition period after the pandemic is over to help plan how to extend these flexibilities.

II. COVID-19 Pandemic Increases Demand for Mental Health Services, Finance Cmte Ranking Member Asks for Data on Mental Health Parity

- a. Senator Wyden (D-OR), Ranking Member of the Finance Committee [sent a letter](#) to the Government Accountability Office (GAO) requesting the agency review whether plans that subcontract mental health coverage experience differences in treatment limits or their ability to meet federal mental health parity requirements.
- b. The letter calls GAO to examine the role of behavioral health service organizations in the administration of mental health care.
 - i. These orgs, subcontracted by health plans across Medicaid, Medicare Advantage, employer-sponsored insurance and the

commercial market to oversee and pay for a person's mental health care services.

COVID-19 Relief Resources/Updates

I. Main Street Loan Program Slated to Begin Amid Concerns

- a. The federal loan program is expected to be open shortly, despite concerns from lawmakers that the program's interest rate is too high and the time period to repay loans is too short.
- b. The Federal Reserve announced details of the program in April after Congress set aside \$500 billion in funds to aid companies, \$75 billion of which will be used by Treasury to cover any losses from the midsize business program. As long as losses don't exceed that amount, the Fed is willing to lend up to \$600 billion in newly printed money.
- c. Businesses with fewer than 15,000 employees or less than \$5 billion in annual revenue can receive 4-year loans that they don't have to start paying back for a year.
 - i. Companies that take advantage of the program have to make "commercially reasonable efforts" to retain employees, but unlike the Paycheck Protection Program's goal of the small business rescue, they don't have to formally pledge to use the money for payroll.
- d. The Federal Reserve Bank of Boston is integral in the program and has released updated information for lenders and borrowers that can be accessed [here](#).

II. Fair Health Releases Monthly Telehealth Regional Tracker

- a. This interactive tool allows users to view 2019 v. 2020 comparisons for that month of telehealth's volume of claims, urban v. rural usage, top 5 procedural codes, and top 5 diagnoses.
- b. The tracker draws from 31 billion private health care claim records, which has shown an astounding 4,347% year-over-year increase in March for telemedicine claims.

ACA Watch During COVID-19

I. Medicaid Enrollment Ticks Upward

- a. A new report from Georgetown University's Center for Children and Families found a 2.8% increase in enrollment for the program from February to April of 2020.
 - i. MO saw the largest increase at 6.5% followed by a 5.1% increase in FL, IN, and WI.
 - ii. Enrollment numbers are on the rise in both states that did and did not expand Medicaid.
- b. Child enrollment rose by 2.6% across 14 states.
 - i. MO saw the largest increase at 6.1%, followed by a 3.5% increase in WI and MN.

II. Health Insurers Offering Premium Discounts

- a. Anthem Inc. is joining the growing number of health insurers offering premium discounts as health plan see savings from sharp drop-offs in surgeries and other types of canceled care because of the pandemic.
 - i. Anthem will provide \$2.5 billion to customers, health care providers and others in various forms, including premium credits of 10%-15% in July for some individual policyholders and fully insured employees.
- b. Premera Blue Cross, Blue Cross Blue Shield of Michigan, Priority Health and UnitedHealth Group all have given discounts to some customers.

III. Kaiser Permanente Extends COVID-19 Cost Waiver

- a. Kaiser will waive most members' out-of-pocket costs for coronavirus-related treatment services the end of the year.
 - i. The waiver was originally set to expire on May 31. However, Kaiser said it is extending it for all those with fully insured benefit plans, in part to avoid discouraging people from seeking needed care.

IV. Pandemic Pause Hits Several States' Expansion Plans

- a. Democrats in statehouse across the nation are abandoning efforts to expand health coverage amid the pandemic as states brace for tougher economic times ahead.
 - i. KS is tabling a Medicaid expansion plan that would have extended eligibility to 150,000 low-income residents.
 - ii. CO's debate over a public option has stalled.
 - iii. CA's budget hole upended its expansion plans which would have expanded coverage to 27,000 undocumented immigrant seniors.
 - iv. OK is calling off a planned July 1 expansion of Medicaid.

Katrina Velasquez, Esq., M.A.

Managing Principal

Center Road Solutions, L.L.C.