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INSIGHTS

# MedPAC And MACPAC Meet to Discuss Health Care Policy Improvements

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On November 2, 2023, in a marathon day for health care policy, both the Medicare Payment Advisory Commission (MedPAC) and the Medicaid and CHIP Payment and Access Commission (MACPAC) held the first day of their November meetings. MedPAC [covered](#) Rural Emergency Hospitals, Dual Eligible Special Needs Plans (D-SNPs), hospice, and software payment. MACPAC [held](#) a panel and a discussion on Medicaid unwinding.

## MEDPAC

### Rural Emergency Hospitals

MedPAC [opened](#) with a discussion regarding findings on Rural Emergency Hospitals for their Congressionally mandated study. Staff analysis found that as of mid-October, seventeen hospitals have converted to a REH. Before becoming a REH, these hospitals had declining inpatient and outpatient volumes and were under significant financial stress. All but one of the hospitals was already participating in an existing enhanced reimbursement program for rural hospitals. To understand these hospitals, MedPAC staff conducted interviews with the hospitals and studied some of those hospitals that did not convert. (Staff also noted that some states have not adopted the necessary regulations to allow for hospitals to convert.) The 2024 MedPAC March Report to Congress will include the findings from today's presentation.

Overall, the Commissioners had positive feelings about the program but did have questions. Commissioners asked for data on ownership of these hospitals, the impact of REHs on the number of physicians who serve in a community, and if any of these hospitals used their new payment system to offer more mental or behavioral health services. Several of the Commissioners asked about ways to ensure that REHs were working to improve the health of the communities they serve. Many Commissioners asked for more studies regarding why beneficiaries are bypassing rural hospitals to go to more urban centers, pointing out the reasons are multifactorial.

### D-SNPs

MedPAC also discussed another Congressionally mandated report on the performance of Dual-Eligible Special Needs plans (D-SNPs). Special Needs Plans are Medicare Advantage plans that serve beneficiaries eligible for both Medicare and Medicaid. Congress wants MedPAC to continue monitoring these plans to ensure dual-eligible beneficiaries aren't receiving fragmented care. Staff research found that ten

years ago, only about 10% of dual eligibles were enrolled in a D-SNP. Now, the share of dual eligible beneficiaries enrolled in Medicare Advantage plans is higher than the share of traditional Medicare beneficiaries (2022).

MedPAC examined the quality of D-SNP plan care by examining HEDIS clinical data and Consumer Assessment of Healthcare Providers and Systems (CAHPS) data. They found no difference between types of D-SNPs in terms of clinical quality outcomes and only small variations in performance on CAHPS.

In general, Commissioners felt that D-SNPs were a good idea but that they were being executed poorly. Commissioners were concerned about the lack of data they had on the plans. They had questions around the lack of care coordination, true outcome measures, and benefit coordination for beneficiaries in nursing homes. They also had a robust discussion about the excess segmentation in the D-SNP market.

MedPAC Chairman Michael Chernew closed the session saying the Commission is still struggling with quality measurement for D-SNPs and that the population itself makes measurement challenging. He said they had much more to do, and their work will not be finished by the end of this Commission year.

## Software as a Service

MedPAC's final session of the day [focused](#) on Software as a Service – or the notion of how to pay for certain software that is used by clinicians for one or more medical purposes without being part of a medical device. Examples of these technologies include things like AI programs that can scan radiology reports for cancer diagnoses or cognitive behavioral therapy to treat insomnia.

This was a nascent discussion by the Commission and no findings or recommendations were discussed. Many Commissioners stated they did not want to pay separately for these services, preferring they were included in payment bundles like DRGs (for hospitals) or Medicare Advantage. Many were concerned about the slippery slope of paying separately and what that would mean in terms of increased Medicare costs and lack of beneficiary affordability.

Chairman Michael Chernew concluded the session saying MedPAC was far away from having a set of recommendations regarding how to deal with these technologies. He also acknowledged that people are moving quickly on creating new technologies and the government needed to move faster to be able to keep up with these new innovations.

## MACPAC

### Medicaid Unwinding

MACPAC [held](#) a panel on Medicaid unwinding and how it is going across the country. The panel consisted of:

- Amir Bassiri, Deputy Commissioner of the Office of Health Insurance Programs and New York State Medicaid Director
- Stephanie Myers, State Affairs Director, Medicaid Health Plans of America
- Cora Steinmetz, Medicaid Director, Indiana Family and Social Services Administration

The panel discussed how unwinding was affecting states (Mr. Bassiri and Ms. Steinmetz) or health plans (Ms. Myers). All panelists discussed the need for massive outreach to beneficiaries/members about their plan coverage – and discussed the innovative ways they are finding people (doctors offices, food banks, texting, etc.) Also discussed was the need to continue with waivers that are providing flexibility for communication and enrollment. Finally, all panelists expressed their frustration at the sheer volume of beneficiary contacts they are managing and pointed out that planning the unwinding was almost impossible due to shifting timelines given by the federal government.

After the panelists were finished, the Commissioners held an internal discussion on how to ensure the correct waivers were continued – and how to judge which waivers were correct. They also discussed that mandates to report unwinding data were expiring in six months – and that loss of data will mean much

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