

Subject: REDC Policy Update 9.6.19

Good Afternoon REDC Members,

Happy September! Congress officially comes back from recess next week, so we are preparing for a busy several months leading toward 2020. Below you will find your weekly policy update, but first a few reminders:

REMINDER:

As a friendly reminder, please work with Michele Travis at Jaffe Management/Intrinsic to sign-up for the October 29th REDC Advocacy Day. Currently we only have 8 REDC Members signed-up, and we can really use as many REDC Members as possible to attend.

If this is your first time considering REDC Advocacy Day, we do encourage C-suite/leadership staff to attend as this shows Congressional offices how important it is for you as their constituent.

However if this may not be possible, we also encourage you to potentially send staff from either or both your contracting teams and billing/finance teams as we are planning on focusing the Advocacy Day on the SERVE Act (which does have a lot of connection to contracting since the bill is really about expanding access and REDC members ability to contract with TRICARE) and defending against the 45 Day Timely Billing provision within the Lower Health Care Cost Package (which has a lot of implications on your billing and finance teams).

Deadline to Register is Friday, September 13th as it takes about 6 weeks to schedule everyone's meetings with their Members of Congress/Senators and their staff, and create corresponding/customized talking points.

SERVE ACT

Co-sponsorship has paused while Congress has been in recess, however, we expect there will be a number of new co-sponsors on the House bill upon return from recess next week

Senate Counterpart SERVE Act:

Senator Shaheen (D-NH) and McSally (R-AZ) are very interested in leading this bill together, and have sent an updated draft over to Legislative Counsel. This still needs to be run by both Senators for final approval to lead, but is a very good sign.

Both offices, are generally fine with the House language, with exception to the last portion that expedites TRICARE contracting for branch facilities. This they asked to remove.

Shaheen is also interested in requiring (instead of encouraging) mental health early identification training for all Supervisors and Cos to help facilitate better referrals to higher levels of care such as Residential and Inpatient

In discussing with some REDC members' contracting team this week, this referral issue seems to limit servicemembers from getting inpatient treatment- so something that we don't have a problem with making this a requirement

Shaheen is also trying to figure out how to meet DHA's recommendation to have outcomes data for eating disorder residential treatment authorization. We reiterated

that we are comfortable with this, but want to make sure its consistent for all disease/disorder treatment and not just eating disorders.

Lastly, I've offered up to Shaheen's office to visit a local (DC-localish) residential treatment center so she can see treatment in practice. They are very interested and may want to bring a few of their staff. You may be hearing from us soon to potentially plan!

Treatment Center Tours:

Rep. Moulton's (D-MA) Health LA Olivia Hussey recently visited the Walden Peabody in Peabody, MA

Additionally, a staff level tour was set recently for Senator Duckworth's (D-IL) office to visit ERC in Illinois

We have a number of other pending tours, so stay tuned

ACA—CONGRESSIONAL

Lower Health Care Costs Act of 2019

Discussions to address the REDC's concerns with the 45-day Timely Billing provision within the Lower Health Care Costs Act of 2019 will resume when Congress comes back into session—stay tuned.

Health Insurance Industry Fee Set to Resume

The IRS published a notice asserting that health insurance companies face a \$15.5 billion tax bill in 2020 if the ACA's health insurance industry fee resumes.

The ACA created this tax to fund implementation of the ACA's marketplace exchanges. The annual fee on health insurance providers is based on premiums and a payer's market share.

Congress suspended the tax in 2019 because it was concerned the tax would increase insurance premiums and out-of-pocket costs for consumers—there is no plan to put it on hold for 2020.

According to Oliver Wyman Actuarial Consulting, if the IRS implements the tax as planned, insurance premiums for 2020 are likely to rise by more than 2%.

Congress is considering bipartisan legislation that would suspend the tax through 2021, but it's unclear whether or not the bill will move.

ACA—REGULATORY

[New Report](#) Measures Premium Increases, Declining Take-up Rates for Private-Sector Employer Sponsored Insurance

Premiums for employer-sponsored health insurance from private-sector employers in the U.S. ranged from \$6,715 for single coverage to nearly \$20,000 for family coverage in 2018, an increase on average of about 5% from 2017 rates.

Among private-sector employees at establishments that offer insurance, the percent who were eligible increased from 77 to 78% from 2017 to 2018.

Among those who were eligible, however, the percent who enrolled in health insurance fell from 74 to 72%.

Employer-sponsored insurance is the primary source of health insurance coverage for individuals under age 65.

Trump Administration Rejects Piece of Idaho's Plan to Expand Medicaid

Idaho residents voted to expand Medicaid last fall and the expansion is set to take effect in January.

State legislators are trying to limit the expansion through a Section 1332 State Innovation Waiver, which would allow some residents above the federal poverty line to keep their subsidized private insurance through the state's ACA exchange even if they qualify for Medicaid under the expansion.

This method would relieve some of the financial burden of the state as states that expand Medicaid eventually have to cover 10% of the costs. However, the Administration denied this request because it wouldn't meet the budget-neutrality criteria for a Section 1332 waiver.

Idaho is still applying for a 1115 waiver (Medicaid waiver) that would add a 20-hour weekly work requirement for some enrollees.

Judge Approves CVS Health-Aetna Merger

U.S. District Court Judge Leon concluded the nation's health care markets would likely remain "very competitive" following \$69 billion merger.

The verdict closes the chapter in CVS' bid to purchase Aetna, which combined the country's largest retail pharmacy chain with the third-largest insurer.

STATE ACTIONS

Florida Likely Won't See Premiums Rise Next Year

10 insurers submitted 2019-2020 rate filings for the agency's review with an average 15% decline for AvMed Inc. to an average of 4.2% increase for Florida Health Care Plan.

The plans requested a 1.2% increase, but the Office of Insurance Regulation ultimately approved no increase, on average, overall.

BCBS is the only health plan serving all 67 counties. For residents of 19 counties, it's the only health plan.

BCBS average premium decreased slightly.

Maine Plans to Take Control of Their ACA Marketplace in 2021

For the 2021 plan year, the state wants to run a hybrid exchange in which it has greater control over outreach and marketing, while still relying on Healthcare.gov for enrollment.

Maine is considering moving fully to a state-run marketplace, including its own enrollment platform in 2022.

Exchange enrollment in the state has fallen from 84,000 in 2016 to 71,000 in 2019. Governor Mills boosted coverage this year by pushing through Medicaid expansion to low-income adults, enrolling 36,000 people so far.

Maine is the 5th state that has taken recent steps to shift to a state-based exchange. NV, NJ, NM, PA are the others, while OR is still considering. 12 other states have fully state-run exchanges.

Best,
Allison, Katrina & Alessandra