

Dear ACH Members:

Happy Tuesday! We hope you all are having a great week so far. Here in DC, ACH and ACU staff attended the [2024 Winston Health Policy Ball](#) on Saturday, May 4, giving us the opportunity to support a great cause and join other health policy leaders and Congressional and Administration officials for a night of dinner, dancing, and networking. The ACH/ACU table had a fabulous time and was the most fun, in our humble opinion. For a quick breakdown of the history and significance of the Winston Health Policy Ball (aka “Health Prom”), find more information from the Washington Post [here](#).

On Friday, Amanda Pears Kelly published an editorial on LinkedIn, “**Leave Primary Care to the Experts: Why Retail Health Clinics Can’t Replace Long-Term Investments in Community Health Centers**,” arguing that the only way to ensure the gold standard of primary care is to ensure a robust investment in community health centers. [Check it out here](#).

Please save the date for our next **Emerging Issues Webinar** which will be held on Wednesday, June 5th. The focus will be on the role of FQHCs in providing maternal health care in rural areas. [Register now](#). Recordings of previous Emerging Issues Webinars can be found in the [ACH Members-Only Portal](#).

We also want to flag our next **ACH Members-Only Virtual Office Hours** sessions. Office hours do not have a formal agenda; instead, they are meant to give members an opportunity to speak with ACH staff in an informal setting about anything you’d like more information on - from health center operations, regulatory and policy questions, or what’s going on at the federal level. The next office hours are from **12-1pm ET, on Wednesday, May 29 and Wednesday, June 26**. [The link to join can be found here](#).

Please keep reading for additional updates on our activities in Washington and other relevant policy news.

[The Latest News from DC](#)

The House and Senate are both in session this week. The House is expected to pass the five-year reauthorization of the Federal Aviation Administration that was approved last week by the Senate, as well as legislation to expand the scope of [Maternal and Child Health Services Block Grants](#) to support evidence-based programs and research to prevent stillbirths, and legislation authorizing the [Emergency Medical Services for Children Program](#), which provides grants and support to states and medical schools.

Recently, after months of delay, [Congress passed a \\$95 billion foreign aid bill to support Ukraine, Israel and Taiwan](#). The package includes \$60.8 billion for Ukraine; \$26.4 billion for Israel and \$9 billion in humanitarian assistance for Gaza; \$8.1 billion for Taiwan; and language opening the door for a ban on TikTok.

This would have been a relatively easy lift for Congress in ordinary times, but we all know times are far from ordinary. That Speaker Johnson decided to move a Ukraine package opposed by so many of his conservative colleagues – knowing full well that it could cost him his job – is a sign that he believes funding Ukraine is a matter of urgent national security. This only fueled some Congress members to threaten a vote to remove the Speaker from his position.

Which they did last week. However, the motion to vacate (filed by Rep. Marjorie Taylor Greene (R-GA) and 10 other Republican Members) [was overwhelmingly defeated in the House with broad bipartisan support \(359-43\)](#). We are hopeful that this move indicates the House will remain relatively stable through the elections and perhaps provide a healthier foundation from which to pass a health-related package in the lame-duck period.

On the legislative side, nonprofits will face new restrictions in the congressional earmarking process, as [House Republicans announced a plan to ban earmarks for nonprofits \(including community health centers\) from HUD’s Economic Development Initiative \(EDI\) account](#). This follows up on previous restrictions Republicans added on HHS earmarks in FY24. Going forward, EDI earmarks in the House will only go to governmental entities such as states, localities, and public universities. Of course, with the Senate maintaining such earmarks, they could still make it into law. [This announcement](#), made by new House Appropriations Committee Chair Tom Cole (R-OK), appears to be a nod to conservative members who believe that national nonprofits are gaming the appropriations process. Should Republicans control both chambers next year, these efforts could be expanded. However, if Democrats take the House, then we expect this rule to be reversed.

With many major debates now resolved, and barring something unforeseen, Congress will now shift to election mode – and with the House and Senate so closely divided, the elections could see either or both chambers switch hands. Meanwhile, the presidential campaign is in full swing, with [President Biden seemingly trailing Donald Trump in new key swing state polls](#). A third-party candidate might tip the scales for the first time since the 2000 Bush vs. Gore election, as Robert Kennedy Jr. continues [polling in the high single-digits](#). There is a real question as to which candidate is harmed (or helped) more by the Kennedy campaign, and that could be the wild card question that isn’t answered until November. Whatever the case may be, we are now in a six-month sprint until election day.

ICYMI

- [The opening of the Evara Health Institute will mark an important step forward for health care in Tampa Bay](#)
- [St. John’s Community Health \(Los Angeles\) awarded \\$10 mil for climate resiliency](#)
- [Perspective: Nutrition Health Disparities Framework: A Model to Advance Health Equity](#), NIH, Advances in Nutrition
- [Major Gaps in Cancer Screening at Federally Qualified Health Centers](#), Mike Bassett, MedPage Today
- [AI is Becoming the Exclusive Province of Academic Medicine. A New Initiative Aims to Change That](#), Casey Ross, STAT News
- [Buprenorphine Prescribing Gaining Ground at Community Health Centers](#), Laura Lovett, Behavioral Health Business

- Capital Link's [FQHCs Financial and Operational Performance Analysis 2019-2022](#)

Updates on ACH Priorities and Legislation

CHC Invest

CHC Fund Reauthorization: On March 4th, as part of a continuing resolution to fund parts of the government through the end of the year, Congress reauthorized the Community Health Center Fund with a 10% increase through December 31, 2024 with broad bipartisan support. The National Health Service Corps (NHSC) and Teaching Health Center Graduate Medical Education Program (THCGME) also received funding increases through the end of the year. [ACH commends Congressional leaders for coming together to pass this crucial legislation](#) but continues to advocate for long-term, increased, and sustainable funding. We anticipate the next opportunity to reauthorize the Community Health Center Fund at a higher level and for a longer period will be after the November elections.

FY25 Appropriations: This month, ACH [submitted written testimony](#) to both the House and Senate Appropriations Committees outlining our priorities for the Fiscal Year 2025 Appropriations process. ACH requested \$3.2 billion in discretionary funds for FY25 for the Health Center Program, which would be combined with the \$5.8 billion ACH has requested for the mandatory Community Health Center Fund. As noted above, the CHC Fund must be reauthorized by December 31. This funding supports HRSA's "Section 330" grants, to help support care for uninsured and underinsured patients, among other functions.

FY26 Budget: On May 9, ACH SVP for Policy and Government Affairs Stephanie Krenrich provided remarks at the [HRSA Fiscal Year 2026 Budget Listening Session](#), to ensure key HRSA leadership are aware of ACH's policy priorities as they develop the FY26 President's Budget. We were honored to be in attendance and look forward to working with HRSA on these and other priorities. [Listen to Stephanie's remarks here](#), or [read them here](#).

THCGME Funding: On May 7, Ranking Member of the House Energy and Commerce Committee Representative Frank Pallone (D-NJ) [sent a letter to HRSA Administrator Carole Johnson](#), urging HRSA to increase funding by \$10,000 per resident allocation (PRA) for the Teaching Health Center Graduate Medical Education program before the next academic year begins on July 1, 2024. The letter notes that the increased funding levels in the Consolidated Appropriations Act, 2024, in addition to unobligated funds from previous years, should be sufficient to cover the increased PRA.

340B/C:

State 340B Contract Pharmacy Bills: There has been a flurry of state legislative activity on 340B during the current legislative session, with the Missouri legislature moving two separate 340B bills. [West Virginia](#) and [Mississippi](#) recently enacted 340B contract pharmacy access laws, joining [Arkansas](#) and [Louisiana](#) as the only four states to do so. Similar bills that passed the legislature in [Kansas](#) and [Virginia](#) have since been amended by Virginia Gov. Glenn Youngkin (R) and the GOP-led Kansas legislature, respectively, to delay or pause enactment of the contract pharmacy provisions. More than 20 states have introduced 340B contract pharmacy legislation this session.

340C: ACH continues to advocate on behalf of our 340C proposal, holding ongoing conversations with members, staff, and external stakeholders. Last year, ACH sent a [stakeholder letter](#) to the leadership of the Senate HELP and House Energy and Commerce Committees outlining the challenges health centers face in the 340B program and recommending [340C as a solution](#). The letter includes signatures from 104 national, state, and local organizations representing 25 states and DC and Puerto Rico.

ASAP 340B: As we discussed in our last update, we have been hearing that the [ASAP 340B](#) legislation could be introduced at any time. We will continue to monitor the bill's progress and keep you posted.

340B Gang of 6 Discussion Draft: In February, the [Senate's bipartisan 340B working group released a legislative discussion draft](#) designed to reform the 340B program. This is the first viable federal full-scale reform effort for the 340B program that we have seen in years, and ACH is encouraged by this progress that could benefit community health centers. In response, [ACH issued a statement](#) applauding the group's efforts and [submitted comments to the Senate 340B Working Group's discussion draft Request for Information](#).

ACH will continue to advocate urgently for policies to address the actions chipping away at the 340B program. In the coming weeks, we will develop a comprehensive 340B/C white paper detailing the program's importance and impact on health centers. More information can be found [here](#).

Value-Based Care:

Late last month, Don McDaniel, CEO of Canton & Company, gave a presentation, "Continuity of Care: Leveraging Innovation to Power Rural Community Health" at ACH's final Value-Based Care Learning Collaborative. For those who may have missed it, the [recording and slide deck are posted on our website](#).

VBC playbook: America's Health Insurance Plans (AHIP), the American Medical Association (AMA), and the National Association of Accountable Care Organizations (NAACOS) have undertaken a significant collaboration to engage their members in helping identify and refine voluntary best practices to advance a sustainable future for VBC. While this playbook recognizes there is no single recommendation for the best VBC payment arrangement, it identifies several voluntary best practices sourced from the direct experience of physicians, VBC entities, and health plans focused on alleviating pain points where possible to deliver better health and smarter spending for patients and communities.

During the May ACH VBC Working Group call, the group will provide feedback about the ACH VBC webinar on rural health, VBC best practices and discuss the new AHIP-AMA-NAACOS playbook. ACH staff will also meet with CMMI leadership later this month to provide member feedback.

Health Equity:

ACH continues to promote Rep. Yvette Clarke (D-NY)'s [Health Center Community Transformation Hub Act](#), HR 1072, on the Hill. ACH has reached out to Republican members of the House Energy and Commerce Committee to encourage bipartisan co-sponsorship and build support behind the bill. Following ACH's Hill Day, we secured a handful of new co-sponsors and will continue working with Rep. Clarke's office to advance the bill.

The 2024 **CMS Health Equity Conference** on May 29 - 30 has reached in-person capacity, but you can [register to attend virtually](#). This year's theme is "Sustaining Health Equity Through Action" and will align with the CMS Framework for Health Equity 2022-2032 priority areas.

ONC Health Equity: The Office of the National Coordinator for Health Information Technology (ONC) is seeking feedback on [Advancing Health Equity by Design White Paper](#) which lays out our vision for Health Equity by Design (HEBD). This systematic approach helps mitigate widespread inequities in health care by incorporating health equity considerations into each stage of health IT design, policy, and implementation. [Public feedback](#) will be accepted until June 10, 2024 at 11:59 PM ET.

Health Equity Data Definitions: This month, the CMS Office of Minority Health released a [new resource document](#) of health equity-related data definitions, standards, and stratification practices. This resource offers a table of suggested definitions, standards, and stratification practices for 9 health equity-related data elements.

Health Disparities Report: The Centers for Medicare & Medicaid Services Office of Minority Health (CMS OMH) released the tenth edition of the [Disparities in Health Care in Medicare Advantage by Race, Ethnicity, and Sex Report](#). This 2024 report provides a summary of the quality of health care received by people enrolled in Medicare Advantage across the United States, focusing on differences in patient experience and clinical care quality based on race, ethnicity, and sex in 2023. [Click here to review the report](#).

FQHC Workforce:

Rep. Raul Ruiz (D-CA) officially agreed to be the lead sponsor of the *Developing the Community Health Workforce Act*. Pending a handful of district events and locking down a Republican cosponsor, we are excited to announce that we anticipate this bill being introduced in the coming months!

ACH continues to recommend at least \$950 million in FY25 for the National Health Service Corps (NHSC), which was also included in the Primary Care and Health Workforce proposal ([Section 103 National Health Service Corps](#)). We also support the *Restoring America's Health Care Workforce and Readiness Act*, S. 862, a three-year reauthorization introduced by Senators Dick Durbin (D-IL) and Marco Rubio (R-FL) for the NHSC that would double the mandatory funding from \$310 million to \$625 million in FY24 and increase to \$825 million in FY26. For the Teaching Health Centers Program, ACH recommends an investment of at least \$300 million for FY25.

Emergency Preparedness:

ACH continues to work with Rep. Nanette Barragan (D-CA) on the *Emergency Preparedness for Underserved Populations Act* to create a fund that will help health centers prepare for pandemics, natural disasters, and other emergencies and is working to identify a Republican lead co-sponsor.

We are excited to share that Roberta Kelly, Chief Nursing Officer & Senior Vice President at Sun River Health, is now serving as chair for the ACH Emergency Preparedness working group. During the next meeting, we will discuss member feedback that will shape the rest of 2024 activities and shape 2025's priorities. The group aims to look at emergency preparedness at large, especially around climate change and natural disasters and may integrate peer learning and sharing.

The [National Nurse-Led Care Consortium \(NNCC\)](#) recently shared a collaborative learning project designed to enhance workforce readiness among health center staff so that they can respond to various hazards effectively. The series will guide participants through the recently released All Hazards Emergency Preparedness and Response Competencies for Health Center Staff, a comprehensive framework developed with input from the Primary Care Association Emergency Management Advisory Committee (PCA-EMAC) and health center staff nationwide. Each session has been approved for 1.0 NCPD contact hours. [All resources, templates, slides, and CE credit information are available on the website](#).

Other News from Across the Federal Government

The White House

Rule-a-palooza!

Obamacare and DACA: On May 3, [the Biden Administration released a final rule](#) that will expand access to health care for Deferred Action for Childhood Arrivals (DACA) recipients. The rule ensures DACA recipients will no longer be excluded from eligibility to enroll in a Qualified Health Plan (QHP) through the Affordable Care Act (ACA) Health Insurance Marketplace, or for

coverage through a Basic Health Program (BHP). CMS estimates that this rule could lead to 100,000 previously uninsured DACA recipients enrolling in health coverage through Marketplaces or a BHP.

Menthol Cigarettes: The Biden administration is [indefinitely delaying a long-awaited menthol cigarette ban](#), a decision that infuriated anti-smoking advocates but could avoid a political backlash from Black voters in November. The FDA has worked with multiple administrations to finalize this rule, but it has been derailed by tobacco industry pushback and competing political priorities. See the statement from the American Lung Association, issued on April 26: [White House's Further Delay of Rule to End Menthol Cigarettes Will Mean More Deaths](#).

Office of Science and Technology Policy: On May 6, the White House announced a new [policy](#) for overseeing high-risk research that could cause disease outbreaks or other serious health threats. The rule will apply to federal agencies that fund research into pathogens that could pose a risk to animal or human health, agriculture, or national security. Additionally, researchers proposing to study pathogens with pandemic potential will have to submit their plans for review by a team of scientific experts.

Prohibiting Discrimination: On May 1, the Biden administration finalized a [rule](#) implementing a 50-year-old law that bars discrimination against people with disabilities in federally funded health programs, adding language on accessibility for mobile apps and clarifying what qualifies as discrimination by providers. [A fact sheet on the rule is available here](#).

Association Health Plans: On April 29, the Biden administration [reversed](#) a Trump-era policy that made it easier for small businesses to band together to purchase health insurance and evade some of the consumer protection requirements of the Affordable Care Act. The [rule](#) will be in effect 60 days after it is published in the Register. Bloomberg summarizes the rule [here](#).

Reproductive Privacy Rule: On April 22, the Biden administration [issued a final rule through HHS' Office of Civil Rights](#) that will strengthen the Health Insurance Portability and Accountability Act (HIPAA) to prohibit disclosing to law enforcement private health information related to reproductive health care for people who travel across state lines for abortion care. The final rule aims to bolster patient-provider confidentiality and promote trust between individuals and their health care and insurance providers for people traveling across state lines to receive reproductive health care.

Department of Health and Human Services

Artificial Intelligence Plan: On April 29, the U.S. Department of Health and Human Services (HHS) released a [list of recommendations](#) and risks around using artificial intelligence in the health care sector. The HHS AI plan comes in response to a Biden administration executive order from October on the development and use of the technology. The HHS said its "vision" in the plan is that state, Tribal, local, and territorial government entities (STLTs) will use AI-enabled systems in the next two or three years. The HHS recommends that STLTs use AI technology to broaden access to benefits and educate staff.

Suicide Prevention: HHS recently released the [2024 National Strategy for Suicide Prevention](#) and accompanying Federal Action Plan. The Substance Abuse and Mental Health Services Administration (SAMHSA) and Centers for Disease Control and Prevention (CDC), in partnership with the National Action Alliance for Suicide Prevention (Action Alliance), led the development of these critical deliverables which support the Biden-Harris Administration's priorities to address the overdose and mental health crises, key pillars of the Biden-Harris Unity Agenda.

National Women's Health Week: Join the Office on Women's Health on Thursday, May 16, from 2:00 to 3:30 p.m. ET for the [National Women's Health Week](#) webinar **Shining a Light on Maternal Mental Health: Signs, Symptoms, and Support for Postpartum Depression**. Webinar panelists will discuss frequently asked questions about maternal mental health with experts and women with lived experience. Panelists will highlight the various signs and symptoms of postpartum depression, the disparities that exist in maternal mental health care for underserved and underrepresented communities, the importance of support from loved ones, and resources to help women and families who may be looking for support. [Register here](#).

Health Resources and Services Administration

****Funding Opportunity****

Behavioral Health Funding: Community health centers can now apply for the fiscal year (FY) 2024 Behavioral Health Service Expansion ([BHSE](#)) funding. HRSA expects to award \$240 million in FY 2024 and \$200 million in FY 2025 to 400 health centers. Centers must apply in Grants.gov by May 24 and in the HRSA Electronic Handbook by 5 PM ET on June 21. Additional information can be found in the [grants section of ACH's members-only portal](#).

Healthy Start: On April 29, [HRSA announced \\$105 million in funding to support more than 100 community-based organizations working to improve maternal and infant health](#). Healthy Start funding will better support moms and babies to improve health in communities experiencing high maternal and infant health outcomes disparities. Awardees include the Arizona County of Maricopa, the University of Miami, and Grupo Nexos Inc. in Puerto Rico. [Read the full list of award recipients](#).

Uniform Data System: The final 2024 Uniform Data System (UDS) [Program Assistance Letter \(PAL\)](#) is now available. The PAL details changes to updates to UDS clinical quality measures to align with current eQMs and report the number of health center patients screened for family planning needs, including contraceptive methods. Register for their webinar on June 5 at 2 PM ET for more information.

National Institutes of Health:

****Funding Opportunity****

Clinical Research in Primary Care Settings: Last week, NIH announced a new effort to establish a coordinated infrastructure to integrate innovative research into clinical care in primary care settings. This effort aims to:

- Pilot and implement infrastructure to support primary-care based clinical research with a focus on health equity and whole person health
- Establish a foundation for engagement in communities underrepresented in clinical research
- Implement study designs to address common health issues and disease prevention

Additional information on this new funding opportunity can be [found here](#). Applications are due by 5:00 pm EDT on June 14th, 2024.

Centers for Disease Control and Prevention

Heat and Health Initiative: At the World Asthma Day Congressional Briefing on May 7 - “25 Years of Progress: Advancing Asthma Control” - the CDC discussed the [nation's first health-based alert system and new heat guidance for clinicians](#). Advocates for Community Health was a “supporting organization” for this briefing.

This new initiative includes three resources and aims to protect people from the harms of heat exposure. The CDC, in partnership with the National Oceanic and Atmospheric Administration’s (NOAA) National Weather Service (NWS), developed resources that can help people stay cool, stay hydrated, and know the symptoms of heat-related illness.

- [HeatRisk Forecast Tool](#) provides a seven-day national-scale heat forecast that indicates when temperatures reach levels that could harm health.
- [CDC's HeatRisk Dashboard](#) is a portal to their new heat resources; it includes the HeatRisk Forecast Tool, details on local air quality, and actions to stay safe on hot days or days with poor air quality.
- [CDC clinical guidance](#) enables clinicians and patients to create personalized plans to help ensure safety during warmer months. Even though heat can impact anyone’s physical and mental health, some health issues raise risk. The guidance focuses on children with asthma, pregnant women, and people with cardiovascular disease.

Centers for Medicaid and Medicare Services

Medicaid Unwinding: According to the [KFF Tracker](#), as of May 10, for states with available data, almost 22 million people have been disenrolled from Medicaid, and 48.1 million have had their coverage renewed. Of those who have been enrolled, 69% were terminated for procedural reasons. Of those who had coverage renewed, 60% retained Medicaid coverage through ex-parte processes compared to 40% retaining coverage through renewal forms. Net Medicaid enrollment declines range from 35.3% in Utah to 0.5% in North Carolina since the start of the unwinding period in each state.

In related news, [Colorado's Community Health Centers are Struggling Financially as Patients Lose Medicaid Coverage](#), according to recent coverage in the Denver Post.

CMS Releases Guidance on Timely Processing of Applications and Extension of Unwinding Flexibilities: The unprecedented volume of Medicaid redeterminations has been taxing on state Medicaid systems. This week, the Center for Medicare and Medicaid Services (CMS) issued two informational bulletins. The [first](#) bulletin reminds states of federal standards for timely action on Medicaid applications. To reduce backlogs, CMS encourages states to implement the (e)(14) flexibilities to improve real-time determinations and *ex parte* renewals, invest in workforce improvements, and expedite access to care for individuals pending a final determination through presumptive eligibility and verification policy changes. In the longer term, CMS [urges](#) states to invest in modernized systems, conduct routine training, use electronic data sources, and ensure effective consumer services and communication.

Staffing Requirements: CMS released the [Minimum Staffing Standards for Long-Term Care \(LTC\) Facilities and Medicaid Institutional Payment Transparency Reporting final rule](#), which establishes minimum nurse staffing standards and requires states to report on the percentage of Medicaid payments that are spent on compensation for direct care workers and other staff. LTC Facilities must have a minimum of 3.48 hours of nursing care per resident day, including 0.55 hours of care from a registered nurse per resident day and at least 2.45 hours of care from a nurse aide per resident day, as well as 24/7 onsite RN.

Medicaid Rule: On April 22, CMS issued the ["Ensuring Access to Medicaid Services" final rule](#), containing provisions on ensuring access to care across Medicaid fee-for-service (FFS) and managed care, including for home and community-based services (HCBS). Notably, the rule would enforce payment adequacy provisions in Medicaid FFS by requiring states to:

- Publish all FFS Medicaid fee schedule payment rates on a publicly available and accessible website.
- Compare their FFS payment rates to Medicare rates for primary care, OB-GYN care, and outpatient mental health and substance use disorders services, and publish the results every two years. (Hospital inpatient and outpatient services are omitted from these rate analyses.)
- Perform an access analysis before proposed Medicaid rate reductions or rate restructuring that could result in reduced access.

CMS also finalized a requirement that states ensure that 80% of Medicaid payments for certain HCBS be made to direct care workers instead of being allocated to overhead or profit. CMS has [published a list of the effective dates](#) of various provisions of the rule.

Note: FQHCs are *not* subject to rate transparency provisions or comparative payment regulations. Instead, CMS notes that states have the flexibility to add the elements described to their comparative payment rate analysis to compare rates, such as primary care claims in FQHC vs non-FQHC settings. Additionally, Medicaid FFS, including services furnished at FQHCs, are subject to Rate Reduction and Restructuring SPA procedures, which are effective July 9. Lastly, according to CMS, the purpose of the requirement of publishing wait times is to encourage transparency and is not tied to performance measures with which States or providers must comply.

Medicaid Managed Care: On April 22, CMS also released a complementary final rule, "[Medicaid and Children's Health Insurance Program \(CHIP\) Managed Care Access, Finance, and Quality](#)." This rule finalizes CMS' proposal to establish the average commercial rate as the limit for provider payment levels for state-directed payments (SDPs) used for inpatient and outpatient hospital services, nursing facility services, and professional services at an academic medical center.

After Incarceration: On April 30, CMS released and posted a publication [Returning to the Community: Health Care After Incarceration](#) to assist individuals re-entering the community to better understand their health care needs, including physical and behavioral health. Developed in partnership with the Department of Justice, the guide contains information to help individuals connect to health care services pre- and post-release, and to learn about insurance coverage types and how to apply, and tips to get started using health coverage to receive needed services to support a successful reentry and healthy life.

New CMS Mental Health Resources: May is Mental Health Awareness Month, and the Centers for Medicare & Medicaid Services (CMS) has updated its Mental Health and Substance Use Disorders (SUD) content on www.medicare.gov. The content updates are part of the CMS broader Behavior Health Strategy and will make it easier for users to access mental health and substance use disorder information. Visit <https://www.medicare.gov/coverage/mental-health-substance-use-disorder> to see the new updates.

Drug Enforcement Agency

Reclassifications: [The DEA will move to reclassify marijuana as a less dangerous drug](#). The proposal, which the White House Office of Management and Budget still needs to review, suggests acknowledging the medical benefits of cannabis and its lower potential for abuse compared to more powerful drugs. However, this would not legalize marijuana for recreational use. If the proposal moves forward, the DEA would need to consider public feedback and officially go through the rulemaking process to reclassify cannabis.

Food and Drug Administration

Lab Tests: On April 29, the FDA [announced](#) that laboratory-developed tests (LDTs) will be regulated as medical devices — a step health officials say will help ensure their results for diseases such as cancer are reliable. The long-awaited final rule includes a four-year phaseout policy of the agency's current approach and includes "targeted enforcement discretion policies" for certain tests — such as currently marketed LDTs and LDTs for unmet needs.

Health Care At Home Initiative: On April 23, the FDA announced the launch of a new initiative, [Home as a Health Care Hub](#), to help reimagine the home environment as an integral part of the health care system, with the goal of advancing health equity for all people in the U.S. The hub will be designed as an Augmented Reality/Virtual Reality (AR/VR)-enabled home prototype and is expected to be completed later this year. This prototype will serve as an idea lab, not only to connect with populations most affected by health inequity, but also for medical device developers, policy makers, and providers to begin developing home-based solutions that advance health equity.

Federal Trade Commission

Mammogram Guidelines: Women should start breast cancer screening at a younger age than previously recommended, [according to new guidance from the U.S. Preventive Services Task Force](#). FTC finalized the guidelines from the independent panel of experts in disease prevention — after first being drafted in May 2023 — and recommended that women ages 40 to 74 with an average risk of developing breast cancer be screened with mammograms every other year. The guidance previously recommended the screenings start no later than age 50.

Noncompete Agreements: FTC finalized a [rule](#) banning non-compete agreements for all workers, a move that could shake the balance of power between hospitals and their workers. The rule, which commissioners passed by a 3-2 party-line vote, declares non-competes an unfair method of competition. Provisions in noncompete agreements bar or restrict workers from quitting and joining rivals, and hospitals have used them widely to prevent doctors from leaving. Doctors will benefit from the decision as a large share, 45 percent in group practices and likely many more in other areas of medicine, are bound by non-competes. The rule will allow many of them to leave their jobs for rivals without penalty.

Congress

House Energy and Commerce Committee:

Medicaid Access: On April 30, the House E&C Health Subcommittee held a hearing entitled "[Legislative Proposals to Increase Medicaid Access and Improve Program Integrity](#)" with Dan Tsai, Deputy Administrator and Director for Center for Medicaid and CHIP Services. The hearing examined several legislative proposals designed to strengthen the Medicaid program for individuals most in need.

Change Healthcare Cyberattack: On May 1, the House E&C Oversight and Investigations Subcommittee [convened to address the fallout from the Change Healthcare Cyberattack](#), featuring testimony from UnitedHealth Group's CEO, Andrew Witty. Members

collectively expressed concerns over UnitedHealth's cybersecurity protocols, emphasizing the impact on patients and providers and highlighting the necessity of legislative action to establish cybersecurity standards. They criticized UnitedHealth's lack of multifactor authentication and contingency plans, cautioning against ransom payments to hackers and advocating for the protection of small providers and patients.

House Ways and Means Committee

Telehealth: On May 8, [the Committee marked up a series of rural health-related bills](#), including David Schweikert's (R-AZ-01) bill H.R. 8261, the "[Preserving Telehealth, Hospital, and Ambulance Access Act](#)," which would extend telehealth COVID-era flexibilities at FQHCs through 2026, among other provisions. The bill includes removing geographic and originating site requirements, delaying in-person requirements for mental health services, covering audio-only care, extending the hospital at-home demonstration, and more. Of note, this bill offsets the added spending with a series of PBM reform measures, including a requirement that PBMs and affiliated pharmacies report their prescription drug plan sponsors a list of drugs for which they have contracts with a 340B covered entity. These measures must also be approved by the Energy and Commerce Committee.

Senate Finance Committee:

Cyberattack: On May 1, the Senate Finance Committee convened a hearing entitled "[Hacking America's Health Care: Assessing the Change Healthcare Cyber Attack and What's Next](#)," to examine UnitedHealth Group's (UHG) cybersecurity deficiencies and recovery responses following the Change Healthcare cyber-attack. Key topics addressed included the imperative for stringent multifactor authentication, persistent delays in medical claims processing, and the impact of UHG's market dominance on health care affordability and stability. Additionally, the hearing explored the influence of pharmacy benefit managers on drug pricing and scrutinized UHG's potential monopolistic behaviors within the health care sector.

UnitedHealth Group's CEO, Andrew Witty, said at the hearing that he supports mandatory minimum-security standards for the health care industry that have been developed collaboratively by the government and the private sector. He also supports increasing cybersecurity, such as policies requiring more notification to law enforcement and standardizing cybersecurity event reporting.

Senate Health, Education, Labor, and Pensions (HELP) Committee:

Maternal Health and Minority Health Care Professionals: On May 2, the Senate HELP Committee convened a hearing entitled "[What Can Congress Do to Address the Severe Shortage of Minority Health Care Professionals and the Maternal Health Crisis](#)." The hearing focused on strategies to mitigate the underrepresentation of minority groups in the health care sector and address the disproportionately high rates of maternal mortality among minority women.

Of note, Senator Roger Marshall (R-KS), co-sponsor of the [Bipartisan Primary Care and Health Workforce Act](#), S. 2840 (which reauthorizes the Community Health Center Fund, among other measures), addressed the critical issue of maternal mortality among Black women, saying, "I would suggest the work we've done with community health centers will do more to impact this than all the other ideas we're hearing about, that our vision of these community health centers would have prenatal clinics in them and then help take care of the women after the babies delivered." **ACH submitted a statement for the record for this hearing, which can be read [here](#).**

NIH: On May 9, Ranking Member of the HELP Committee, Senator Bill Cassidy (R-LA), [released a white paper outlining proposals aimed at improving NIH](#). The report follows his [request for stakeholder feedback](#) late last year. The report includes suggestions to use machine learning tools to assess programs and streamline research, data-sharing security measures, and developing a process for public input on agency practices.

Food is Medicine: The previously postponed HELP Committee hearing, entitled "[Feeding a Healthier America: Current Efforts and Potential Opportunities for Food is Medicine](#)," has been rescheduled to May 21. [View ACH's statement for the record](#).

Legislation of Interest:

Drug Shortages: On May 3, Senate Finance Committee Chair Ron Wyden (D-OR) and Ranking Member Mike Crapo (R-ID) [released the Senate Finance Committee's bipartisan discussion draft of legislation aimed at addressing prescription drug shortages](#). The proposal establishes a new authority and resources within Medicare to reform provider purchasing of generic drugs at high risk of shortage and modifies the Medicaid program to allow generic manufacturers to address economic challenges creating shortages for numerous retail drugs. Read a [summary of the draft legislation](#), and for a more detailed section-by-section summary, click [here](#).

Menopause: On May 2, Senators Patty Murray (D-WA), Lisa Murkowski (R-AK), Tammy Baldwin (D-WI), Susan Collins (R-ME), Amy Klobuchar (D-MN) and Shelley Moore Capito (R-WV) introduced the [Advancing Menopause Care and Mid-Life Women's Health Act](#), new bipartisan legislation that would for the first time coordinate the federal government's existing programs related to menopause and mid-life women's health. The Advancing Menopause Care and Mid-Life Women's Health Act, authorized at \$275 million over five years, would strengthen and expand federal research on menopause, health care workforce training, awareness and education efforts, and public health promotion and prevention to better address menopause and mid-life women's health issues. [The legislation is being championed by Halle Berry](#), who has done extensive advocacy around menopause, speaking out and sharing her story to challenge the stigma around menopause.

Letters of Interest:

New CMMI Cost Evaluation: [House Budget Committee Republicans](#) have called for an investigation into the Center for Medicare and Medicaid Innovation (CMMI) after a [September Congressional Budget Office report highlighted high spending from CMMI in its first decade](#). The Republicans' call for an updated cost report is based on CBO's findings last year that CMMI models and programs increased spending by \$5.4 billion, despite initial estimates that it would save \$2.8 billion during the 10-year time frame. CBO projected that the center's work would cost another \$1.3 billion from 2021-2030, though the center could begin to see net annual savings during that time. The letter was sent on April 26, 2024, by House Budget Committee Chairman Jodey Arrington (R-TX) and Budget Committee Health Care Task Force Chair Michael Burgess (R-TX) to GAO Comptroller General Gene Dodaro.

Anticompetitive Conduct: On April 29, Senator Amy Klobuchar (D-MN) sent a [letter](#) urging the FDA and DOJ to investigate potentially anticompetitive conduct by the health data company MultiPlan. The letter states, "While it is common for patients to pay different rates for out-of-network care, I am concerned that—rather than competing for business from employers by reducing these costs to employees—algorithmic tools are processing data gathered across numerous competitors to subvert competition among insurance companies. The result is that instead of competing, insurance companies are pushing additional hidden costs onto employees and patients."

Industry

Pandemic Reporting: [Hospitals will no longer have to report data on admissions, occupancy, and other indicators of possible system stress from respiratory diseases to federal officials](#) as another COVID-era mandate expires. The sunset of the reporting requirement on May 1 marks a turning point in the government's real-time tracking of airborne pathogens that helped drive coronavirus surveillance and reports like the CDC's FluView. This new report comes from low hospitalizations since the pandemic's start but as a new variant called KP. 2 is rapidly spreading in multiple regions.

Pharmaceutical Antitrust Scrutiny: A proposed patent office depository for sealed settlements could expose pharmaceutical giants to antitrust scrutiny if investigators use it to identify which companies may have coaxed biosimilar makers to drop patent challenges to maintain exclusivity. [The U.S. Patent and Trademark Office's proposed rulemaking](#), published last month, would create a repository for all settlement agreements linked to patent challenges at the office's administrative tribunal. The proposal would expand the requirement for companies to file detailed reports after reaching a deal, which happens nearly one-third of the time patents are challenged, according to the proposal.

In the States:

California Price Cap: California's doctors, hospitals, and health insurance companies will be limited to [annual price increases of 3% starting in 2029](#) under a new rule state regulators recently approved in the latest attempt to corral the ever-increasing costs of medical care in the United States. The money Californians spent on health care increased by 5.4% each year for the past two decades. The 3% cap, approved by the Health Care Affordability Board, would be phased in over five years, starting with 3.5% in 2025. Board members said the cap likely won't be enforced until the end of the decade. A new state agency, the Office of Health Care Affordability, will gather data to enforce the rule. Providers who don't comply could face fines.

New York: Managed Care Tax: [New York lawmakers are set to impose a new tax on health insurers](#) in the state budget as a revenue-raiser to cover growing Medicaid costs. Lawmakers say the tax would generate \$4 billion from insurers but will require approval from the federal government.

Upcoming Events of Interest:

- **May 29-31: [The Healthcare Innovation Congress](#)**, thINc360, Washington, DC
- **May 29: [ACH Members-Only Office Hours](#)** 12:00 - 1:00 (EST), Virtual
- **June 5: [ACH Emerging Issues Webinar](#)**: FQHCs and Maternal Health 12:00 - 1:00 (EST), Virtual
- **June 5: [UDS Changes Technical Assistance Webinar](#)**, Virtual
- **June 26: [ACH Members-Only Office Hours](#)** 12:00 - 1:00 (EST), Virtual
- **September 9-11: National Academy for State Health Policy: [NASHP Annual Conference](#)**, Nashville, TN
- **December 2-4: [Third Annual Social Determinants of Health Policy Forum](#)**, Washington, DC

Other ACH Member Resources:

- On ACH's [Members-Only Portal](#) (enter password: **ACHMember**), you will find:
 - [Government grant opportunities](#)
 - [Event recordings](#) and resources
 - [Newsletter archives and policy updates](#),
 - [2024 Policy Agenda](#)
 - [Grassroots Advocacy Resources](#)

Please let us know if you have any questions, and have a great rest of your week!

Best,
Stephanie Krenrich
SVP, Policy and Government Affairs
Advocates for Community Health

Advocates for Community Health, 1575 I St. NW, Suite 300, Washington, DC 20005

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