



May 17, 2024

Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

Table of Contents

- **New Payment Model Proposed For Primary Care As More Surgery Contemplated For Physician Payment**
- **Innovation With Appropriate Guardrails Is Focus Of Bipartisan Senate AI Roadmap**
- **Cyberattack Alert Issued In The Wake Of Attack Against Ascension Health System**
- **APG Announcements And Offerings**



New Payment Model Proposed For Primary Care As More Surgery Contemplated For Physician Payment

As Congress continues to wrangle with Medicare physician payment, a potential new “hybrid” payment model has surfaced for primary care providers. In draft [legislation](#) dubbed the “Pay PCPs Act,” Senate Budget Committee Chair Sheldon Whitehouse (D-RI) and Senator Bill Cassidy (R-LA), a member of both the Senate Finance and Health, Education, Labor, and Pensions committees, propose paying these providers by pairing prospective per-member-per-month capitated payments with fee-for-service. Many details remain undeveloped, including how to match Medicare beneficiaries to providers and calculate prospective payments appropriately. The senators have asked stakeholders for input on these and other matters in a [Request for Information](#).

Although it is unclear how many APG members would benefit from such an approach, APG supports the model as a long-term “on-ramp” to help primary care providers move from fee-for-service to capitated payment. A [news release](#) from the senators highlighted APG's support.

Broader solutions: On Tuesday, May 14, APG joined a roundtable sponsored by a bipartisan Senate [working group](#) contemplating changes in the Medicare Physician Fee Schedule (MPFS) and the Medicare Access and CHIP Reauthorization Act (MACRA). APG recommended a move away from the [Quality Payment Program and Merit-based Incentive Payment System](#) (MIPS) to alternative payment models (APMs), with greater incentives for providers than in current law. APG also recommended tying annual fee increases to the Medicare Economic Index to reflect increased practice cost inflation. To boost the incentives for value-based care, the amount of the annual inflation adjustment could be linked to providers' participation in risk-based contracts.

Multiple members of Congress remain committed to making changes in the MPFS and MACRA this year, but much will depend on the estimated budgetary costs. APG will continue to be deeply involved in the ongoing discussions.



Innovation With Appropriate Guardrails Is Focus Of Bipartisan Senate AI Roadmap

Congress should consider legislation that both promotes the use of artificial intelligence (AI) in health care while also implementing guardrails and safety measures protecting patients, a long-awaited Senate [report](#) recommends. The culmination of more than a year of discussions led by a bipartisan working group – including Majority Leader Charles Schumer (D-NY), Senator Mike Rounds (R-SD), Senator Martin Heinrich (D-NM), and Senator Todd Young (R-IN) – the report contains recommendations about the use of AI across multiple sectors, with the goal of investing at least \$32 billion annually in federal funds for non-defense AI innovation.

Agencies' roles: The necessary guardrails on AI should ensure consumer protection, prevent fraud and abuse, and promote the use of “accurate and representative data” to guard against bias in AI, the report specifies. Such measures could include providing transparency for the public on the use of AI in medical products and clinical support services, including the data used to train AI models. But at the same time, the report calls on government agencies to enable the benefits of AI – by enabling a “predictable regulatory structure for product developers,” and even incorporating AI into federal health care payment mechanisms to increase efficiency.

The report endorses a handful of existing bills in Congress, but mainly recommends that congressional committees of jurisdiction take the ball from here in developing future legislation. APG will

continue to monitor developments of significance for its membership.



Cyberattack Alert Issued In The Wake Of Attack Against Ascension Health System

Ascension, the nation's second-largest health system by number of hospitals, is the latest victim of a cyberattack affecting its electronic health records systems, access to labs and imaging services, and even its phone systems. The attack, first detected by the system on May 8, has resulted in patients being turned away or rescheduled, and prompted diversion of emergency care patients away from some Ascension hospitals. Some APG member organizations in ACO relationships with Ascension hospitals, and their patients, have been affected. Ascension has not yet said when services will be fully restored.

The U.S. Cybersecurity and Infrastructure Security Agency (CISA) has blamed the attack on the Russian-backed ransomware group [Black Basta](#). CISA and other federal agencies this week released a [joint cybersecurity advisory](#) with a technical analysis of Black Basta tactics for health care organizations to monitor.

The Ascension attack comes as the nation's health system is still recovering from the February cyberattack on Change Healthcare. As previously reported in the [Washington Update](#), members of Congress continue to press for tougher minimum cybersecurity standards for health care to help thwart what appears to be a rising rate of attempted attacks.



APG Announcements And Offerings

- It's not too late to register for the **APG's Spring Conference** in San Diego from May 29-31. Register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

Know people who may enjoy receiving *Washington Update*? Forward this email and have them contact communications@apg.org to be added to the subscription list. Visit APG's [website](#) for more news and resources, or contact a member of APG's Washington, DC, policy and communications team below.

Valinda Rutledge, EVP, Advocacy and Education vrutledge@apg.org
Jennifer Podulka, Vice President, Federal Policy jpodulka@apg.org
Garrett Eberhardt, Executive Director, Medicaid Policy geberhardt@apg.org
Greg Phillips, Director of Communications gphillips@apg.org