

Health Care Coverage in the United States

2025 HEALTH POLICY ACADEMY April 10, 2025 Session 3

Moderator



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Introduction to the Role of the Congressional Budget Office

April 10, 2025

Presentation at the Alliance for Health Policy's 2025 Health Policy Academy

Aditi Sen Health Analysis Division

What Is CBO's Purpose?

CBO was created by the Congressional Budget and Impoundment Control Act of 1974.

CBO was established to give the Congress a stronger role in budget matters.

The agency provides analysis of budgetary and economic issues that is objective and impartial. It is strictly nonpartisan and does not make policy recommendations.

CBO follows processes that are specified in statute or that it has developed in concert with the Budget Committees and Congressional leadership. CBO's chief responsibility under the Budget Act is to help the Budget Committees with the matters under their jurisdiction.



- Baseline projections—projections of federal spending and revenues under current law that help the Congress formulate its budget plan.
- Cost estimates—estimates of legislative proposals' effects on the federal budget that help the Congress stay within its budget plan.
- Identification of federal mandates (requirements that legislation imposes on state, local, or tribal governments or on private-sector entities) and estimates of their costs.
- Scorekeeping information, including estimates of the effects of proposed and enacted legislation on the major categories within the budget (appropriations, mandatory spending, and receipts).
- Estimates of the economic and budgetary effects of policy options.



CBO bases its assessments on:

- Detailed understanding of federal programs and revenue sources;
- Examination of the relevant research literature;
- Analysis of data reported by federal statistical agencies and other groups;
- Consultation with outside experts in academia, think tanks, industry groups, the private sector, and federal, state, and local agencies; and
- Discussion with CBO's Panel of Economic Advisers and Panel of Health Advisers.

What Does CBO Not Do?

- Make policy recommendations. CBO is strictly nonpartisan and makes no judgments about the merits of legislative proposals.
- Write legislation. Instead, CBO analyzes different proposals and options.
- Implement programs or regulations or enforce budget rules. The Budget Committees, other federal agencies, and the Office of Management and Budget are responsible for those roles.
- Audit operations of government programs. That is the role of the Government Accountability Office.



The agency employs about 270 full-time staff.

The Director is appointed jointly by the Speaker of the House and the President pro tempore of the Senate.

All staff are appointed by the Director solely on the basis of professional competence, without regard to political affiliation.

Eighty percent of CBO's professional staff hold advanced degrees in economics, public policy, public administration, or a related field.





What Does CBO Produce in an Average Year?

In a typical year, CBO publishes the following on its website, www.cbo.gov:

- About 80 reports, working papers, testimonies, and interactive tools; and
- About 700 cost estimates, most with statements about the costs of mandates.

The agency also fulfills thousands of requests for technical assistance each year.



Leslie Gordon, MPP
Director
US Government Accountability Office
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U. S. GOVERNMENT ACCOUNTABILITY OFFICE

GAO'S MISSION

Independent, non-partisan agency that works for Congress; often called the "congressional watchdog"

GAO has the authority to investigate all matters related to the use of public funds.

GAO sets audit standards for internal controls, financial audits, and other types of government audits.

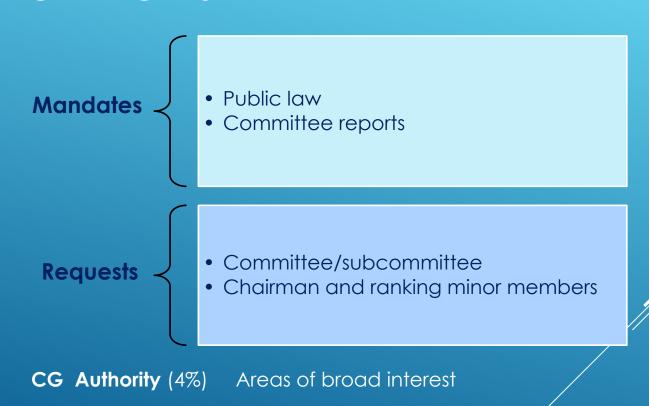
Comptroller General makes the appointments to several health care-related commissions, and advisory and governing boards.

RANGE OF SERVICES —

We provide to Members of Congress—

- Reports—letter, correspondence, Q&A, HC Capsule
- Technical assistance and briefings
- Science, Technology, and Cybersecurity expertise
- Legal Assistance
- Testimony and Hearing Assistance

GAO REPORTS



GAO'S HEALTH CARE TEAM

Conducts analysis and prepares reports in all areas of health care delivery and financing— tangibly affecting the lives of all Americans.

Federal health care programs' expenditures collectively represent about one-quarter of all federal spending. Ensuring that these programs provide access to quality care, protect the public, and remain fiscally sustainable is a key challenge facing congress and the president in the 21st century.

- ► Medicaid
- **▶** Medicare
- ► Public Health
- **▶** Private Markets
- ► VA and DOD
- ► Indian Health Service

And, cross-cutting issues, including behavioral health, long term care, program integrity, and quality.



GAO HEALTH CARE DIRECTORS

- Jessica Farb, Managing Director
- Mary Denigan-Macauley, Public Health
- John Dicken, Private Markets, Drug Pricing
- Leslie V. Gordon, Medicare
- Alyssa M. Hundrup, VA and DOD Health Care
- Michelle Rosenberg, Medicaid, Indian Health Service
- Sharon Silas, VA and DOD Health Care

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James Mathews, Ph.D., M.A.

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Medicare Payment Advisory Commission (MedPAC) 101

Presentation to

the Alliance for Health Policy's

Health Policy Academy



James E. Mathews, Ph.D. April 10, 2025 Principal, Health Policy Alternatives, Inc.

MedPAC's Mission and Structure

- Provides independent, nonpartisan policy and technical advice to the Congress on issues affecting the Medicare program
- 17 commissioners selected by GAO's Comptroller General for expertise, not representation; include providers, payers, economists, researchers, beneficiary-focused individuals
- Commissioners supported by 25-30 analysts; most staff analysts are experts in their fields



MedPAC's Principles of Medicare Payment

Ensure Assure best beneficiary use of access to high taxpayer and quality care in beneficiary an appropriate dollars setting Give providers an incentive to supply efficient, appropriate care and pay equitably



MedPAC's Work Serves a Dual Role

Commission

- Develop, present analysis at public meetings
- Publish final analyses
- March and June Reports to the Congress
- Other mandated reports
- Comment letters to HHS Secretary
- Contractor reports
- Peer-reviewed journal articles

Congress

- Respond to Congressional requests confidentially or in published documents, as appropriate
- Analyses and other technical assistance to the Congress
- Hill staff briefings
- Congressional testimony
- Payment basics series
- Data books



MedPAC's Analytic Work

- Site visits
- Focus groups with beneficiaries, providers
- Input from Medicare stakeholders
- Expert panels
- Quantitative analyses
 - Vast amounts of Medicare data claims, cost reports, quality, survey data, etc
 - Overall spending/utilization
 - Adequacy of Medicare payments
 - Comparison of Medicare to commercial payer payment rates
 - Beneficiary access to care and provider participation
 - Geographic variation in use of services
 - ayment models

Influence of MedPAC recommendations

Commission recommendation

Legislative / regulatory action

Penalize hospitals with excessive avoidable readmissions (June 2008)

Affordable Care Act (2010) created the Hospital Readmissions Reduction Program that reduces payments for hospitals with high "excess" readmissions.

Freestanding rural emergency departments (June 2018)

Consolidated Appropriations Act, 2021 created a new type of hospital, the Rural Emergency Hospital (REH), that focuses on emergency and outpatient services only.

Reduce excessive therapy in SNFs and HHAs (June 2008, March 2011)

Bipartisan Budget Act of 2018 removed therapy as a factor in payment for HHAs. Beginning in FY 2020, CMS removed therapy as a factor in payment for SNFs through regulation.

Redesign Medicare Part D (June 2020)

Inflation Reduction Act of 2022 redesigned the Medicare Part D benefit structure directionally consistent with MedPAC's recommended approach.



Value of MedPAC

Approximately
\$14 million in
(2023)
discretionary
appropriation
yields:

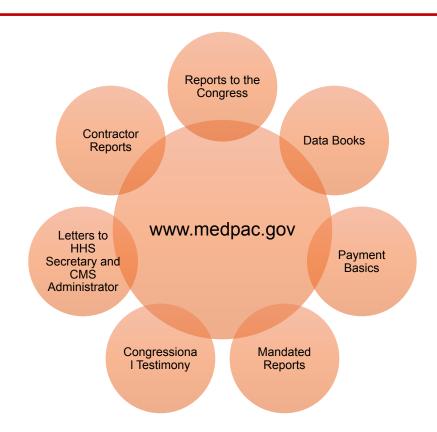
Nonpartisan analysis of spending, access, quality, and other indicators in Medicare

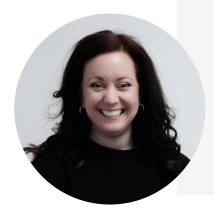
Data-driven recommendations to address challenging policy problems

"Hundreds of billions [of dollars]" in potential Medicare program savings from unimplemented recommendations over the past decade*



Questions or Additional Information?





Kate Massey, MPA

Executive Director

Medicaid and CHIP Payment and
Access Commission MACPAC

April 10, 2025

Leveraging MACPAC's Medicaid Expertise and Analysis

Kate Massey, MPA, Executive Director







About MACPAC

- Medicaid and CHIP Payment and Access Commission (MACPAC) is a non-partisan legislative branch agency
- Provides policy and data analysis and makes recommendations to Congress, the Secretary of the Department of Health and Human Services, and states
 - Report annually to Congress on March 15 and June 15
 - Provide technical assistance to Congress
 - Serve as an information resource to the broader health policy community
- Government Accountability Office appoints MACPAC's 17 Commissioners, who meet 6 times annually



Resources from MACPAC

- MACStats
- Duals Data Book
- Reports to Congress
- Annotated statute
- Policy in Briefs
- Issue briefs
- Reference guide to federal Medicaid statute and regulations
- YouTube: Medicaid 101 series



MACStats:

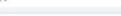


We're Here to Help: Technical Assistance from MACPAC

MACPAC provides technical assistance to Congressional staff on Medicaid and the State Children's Health Insurance Program

Contact Katherine Rogers to get started: Katherine.Rogers@macpac.gov







Medicard and CHIP Palicy

MACPAC Releases March 2025 Report to Congress

Congressional advisory panel proposes recommendations to improve transparency in Medicaid managed care, enhance access to homeand community-based services, and reduce state and federal administrative burdens



The Medicaid and CHIP Payment and Access Commission (MACPAC) released its March 2025 Report to Congress on Medicaid and CHIP today, with recommendations on improving the external quality review (EQR) process in Medicaid managed care, enhancing timely access to home- and community-based services (HCBS), and reducing states' administrative burdens to providing HCBS services for Medicaid beneficiaries.

"This report offers recommendations and insights that both state and federal policymakers can use to enhance transparency in the Medicaid program, reduce administrative burdens, and significantly improve the experience for its beneficiaries," MACPAC Chair Verlon Johnson said.

Read The Full Report

Chapter 1 makes three recommendations to enhance the managed care EQR process. Managed care is the primary health care delivery system in Medicaid, with 73 percent of beneficiaries enrolled in a comprehensive, full-risk managed care organization. As managed care continues to grow, both federal and state stakeholders have placed greater emphasis on effective oversight to ensure beneficiaries can access the services they need. State Medicaid agencies perform an annual independent review of the quality of care and access to services under each managed care contract, known as the EQR. process. MACPAC assessed how states implement federal EQR requirements, the role the Centers for Medicare & Medicaid Services (CMS) plays in overseeing the process, and if the EQR process supports accountability for states and MCOs and improves care for

MACPAC's analysis identified gaps in how the EQR process and its findings are used to oversee managed care plans and enhance quality. Stakeholders reported difficulties in understanding states' reporting of EQR findings, as well as challenges in accessing EQR reports due to the lack of a centralized repository. The Commission offers three recommendations to the U.S. Department of Health and Human Services (HHS) aimed at improving the transparency and accessibility of findings in the EQR annual technical



www.macpac.gov

MACPAC

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Moderated Q&A



Thank you!

