



Weekly Checkup

New Year, New Fee

JACKSON HAMMOND | JANUARY 6, 2023

On December 23, Congress sent a massive [\\$1.7 trillion appropriations bill](#) to President Biden's desk just in time to avoid a government shutdown. **The historically large bill contains multitudes, so let's review some of its larger health items and how they will affect our nation's health care system in 2023.**

Let's begin with the major Centers for Medicare and Medicaid Services (CMS) provisions. **First, the “doc fix” didn't go as planned for physicians. The Physician Fee Schedule released by CMS for 2023 had a nearly 4.5 percent cut to physician payments, but the recent omnibus effectively pared that cut down to 2 percent in 2023 and 3.25 percent in 2024 (relative to 2022 rates).** It's not as bad as it could have been for physicians, but the American Medical Association was [predictably not thrilled](#). As a sort of compensation, the 5 percent payment bump incentive for alternative payment models that was set to expire in 2024 was extended to 2025 – but only at 3.5 percent instead of 5 percent. Hospitals will be celebrating that the 4 percent [pay-as-you-go cuts](#) were stopped entirely for two years. Medicare telehealth flexibilities were also extended for another two years.

Two big Medicaid provisions were also included. **States will be able to start cleaning up their Medicaid roles beginning April 1 of this year (no fooling), ending the continuous coverage requirement from the Families First Coronavirus Response Act.** Additionally, starting January 1, 2024, 12 months of continuous coverage will be required for children covered under Medicaid or the Children's Health Insurance Program (CHIP).

Efforts by CMS to address the mental health crisis also got a big boost. Residency positions for graduate medical education were increased, with half going to psychiatry positions. Payments for mobile crisis units and outpatient services under Medicare were increased, as well. States will now also be required to provide eligible juvenile offenders with Medicaid or CHIP services for 30 days both before and after their release starting in 2025.

For the non-CMS items, the Department of Health and Human Services will get \$120.7 billion for the year, \$9.9 billion more than last year. **The director of the Centers for Disease Control and Prevention (CDC) will now be a Senate-confirmed position, and the CDC itself is receiving \$9.2 billion – over half of which is going toward public health infrastructure items such as modernizing public health data surveillance and analytics.** The National Institutes of Health will now house the newly created Advanced Research Projects Agency – Health (ARPA-H), settling a [long debate](#) over where ARPA-H should hang its hat.

Mental health efforts in the rest of the government got a heap of cash as well – the Substance Abuse and Mental Health Services Administration got \$7.5 billion (an increase of \$970 million from last year), made up of bumps to items such as the Mental Health Block Grant program, resources for children and young adults, and suicide and crisis prevention.

There are *many* more health-related items in this humongous bill, but one newsletter can't cover them all so I highlight what I think are the biggest deals. **For more details on the non-CMS funding, check out the House Appropriations Committee's [summary](#), and for Medicare and Medicaid provision details, take a look at the Senate Finance Committee's [section-by-section](#).** Welcome back!