

Healthcare  
Current Events  
Forum

NJ HFMA  
Healthcare Current  
Events Forum (HCEF)  
January 2025

# NJ HFMA – Healthcare Current Events Forum

## Agenda

- ✓ **National/State Issues**
  - ✓ KPMG Healthcare Update
  - ✓ Key Healthcare Issues 2025
  - ✓ CMS Cancels VBID
- ✓ **Part A**
  - ✓ Kaufman Hall Hospital Flash Report
  - ✓ Per Diem vs. Travel Nursing Costs
- ✓ **Part B**
  - ✓ What Are Key Components to Remote Patient Monitoring
  - ✓ AI Helping Providers
- ✓ **Payers**
  - ✓ Top Insurance Stories 2024
- ✓ **Compliance**
  - ✓ Annual Compliance Update 2024
- ✓ **Technology**
  - ✓ Healthcare AI 2025
- ✓ **Next monthly meeting**
  - ✓ Wednesday, February 12, 2025

# NJ HFMA – HCEF

## ✓ **National/State Issues**

### ✓ **KPMG Healthcare Regulation**

- ✓ CMS released the 2025 Medicare Advantage (MA)/Part D Advance Notice, proposing a net increase in MA plan payments (3.7%), and Part D-related Inflation Reduction Act (IRA) implementation updates (e.g., reducing the out-of-pocket expense cap to \$2,000 and eliminating the Coverage Gap Discount Program)... CMS sent its initial offer price to pharmaceutical manufacturers for the 10 drugs selected for the first year of the Medicare Drug Price Negotiation Program.
- ✓ CMS announced increased 2024 Medicare ACO participation, including 19 new Medicare Shared Savings Program (MSSP) ACOs receiving \$20M in Advance Investment Payments to care for rural/underserved populations... CMS announced sickle cell disease as the initial focus of the Cell and Gene Therapy (CGT) Access Model for testing outcomes-based agreements of cell and gene therapies among Medicaid beneficiaries.
- ✓ A SAMHSA final rule makes certain pandemic-related flexibilities permanent, including allowing virtual prescribing of opioid treatments.

# NJ HFMA – HCEF

## ✓ National/State Issues

### ✓ KPMG Healthcare Law and Policy Update

- ✓ HCSC plans to acquire Cigna's Medicare business (\$3.7B)... Cardinal Health will acquire Specialty Networks (\$1.2B) to expand its pharmaceutical and specialty segments.
- ✓ Novo Nordisk to discontinue US sales of Levemir, a long-acting form of Insulin, eight months after the company reduced prices by 65%... Biogen will not seek full FDA approval of its' Alzheimer's treatment, Aduhelm and will discontinue sales after mixed results in early human trials and price concerns.
- ✓ A JAMA study found COVID-19 contributed to substantial healthcare workforce turnover; average quarterly exit rates increased almost 2% from 2018-2021.
- ✓ A joint AHIP-BCBS survey found No Surprises Act (NSA) protections prevented 10M+ surprise medical bills in the first nine months of 2023... A BDO survey found provider cash reserves remain low despite reported increases in profitability in 2023; less than a third of providers surveyed had more than 60 days cash on hand.
- ✓ Department of Justice is investigating use of AI embedded in electronic health records to drive physician prescribing decisions.
- ✓ A new CDC report shows syphilis cases increased 17% in 2022, reaching a 70-year high, with largest increases observed in cases of congenital syphilis (31%), leading some health departments to ration penicillin.

# NJ HFMA – HCEF

## ✓ **National/State Issues**

### ✓ **Key Healthcare Issues for 2025**

- ✓ Service line management will continue to be a key focus for health systems.
- ✓ Progress from a Value Based Care (VBC) dabbler to a VBC powerhouse
- ✓ An up-to-date analysis on Care Variation Reduction opportunities and approaches
- ✓ AI's impact on clinical decision-making vs. administrative issues
- ✓ How specialty pharmacies can achieve strategic business goals

# NJ HFMA – HCEF

- ✓ **National/State Issues**
  - ✓ **CMS Cancels the Value Based Insurance Design (VBID) Model**
    - ✓ The VBID model launched in 2017, and its interventions were intended to lower Medicare spending and improve the quality of care for MA enrollees.
    - ✓ The goal was to increase access to and uptake of those services, and to decrease avoidable medical spending for enrollees.
    - ✓ Initial findings from the 2023 evaluation of the VBID model indicated that the model incurred substantial costs in part due to the fact that risk scores of enrollees in MA plans participating in VBID increased substantially more than those of similar enrollees in other MA plans.

# NJ HFMA – HCEF

✓ Polling Question #1

To Join the Poll – [Slido.com](https://www.slido.com)

Participant #5412943

Password – oamccn

Click on Poll on Top

**slido**

Please download and install the Slido app on all computers you use



**Which of the following is true about Medicare Advantage?**

① Start presenting to display the poll results on this slide.



# NJ HFMA – HCEF

- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement**
- ✓ **Kaufman Hall January 2025 Hospital Flash Report (November 2024 Data)**
  - ✓ **Key Findings**
    - ✓ 1. Patient volumes decreased in November. ED visits, outpatient volume and other key metrics showed an overall decline in patient volume.
    - ✓ 2. Expenses, except for drugs and supplies, rose in November. This indicates that organizations may have opportunities to better plan their expenses.
    - ✓ 3. The workforce continues to be competitive. Labor expenses rose despite decreases in patient volume.
  - ✓ **Operating Margins**
    - ✓ CYTD – 4.6% Operating Margin November 2024
    - ✓ Monthly – 3.3% Operating Margin November 2024

# NJ HFMA – HCEF

## ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement**

### ✓ **Per Diem vs. Travel Nursing Costs**

- ✓ Per diem nursing is replacing travel nursing as the preferred solution to providers' staffing issues.
- ✓ A June survey from employment firm Incredible Health found 67% of health executives did not increase travel nurse positions in 2024.
- ✓ Per diem nurses typically operate "on-demand," picking up shifts for permanent staff who call out, are on a short leave or when a hospital needs extra help when a patient population is high.
- ✓ One issue per-diem programs haven't been able to get past is cancellations. ShiftMed said less than 10% of shifts picked up by nurses through its platform are canceled, while CareRev had a cancellation rate of 8%.

# NJ HFMA – HCEF

## ✓ Polling Question #2

To Join the Poll – [Slido.com](https://www.slido.com)

Participant #5412943

Password – oamccn

Click on Poll on Top

slido

Please download and install the Slido app on all computers you use



**Which of the following is not a key finding for the December 2024 Hospital Flash Report?**

① Start presenting to display the poll results on this slide.

# NJ HFMA – HCEF

## ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**

### ✓ **Key Components Remote Patient Monitoring (RPM)**

- ✓ Remote patient monitoring (RPM) involves using technology to monitor patients' health when not in a clinical setting. This typically involves digital tools such as wearable sensors, mobile health applications, and connected medical devices that collect and transmit real-time health data to healthcare providers.
- ✓ For an RPM system to be effective, it must integrate several key components:
  - ✓ 1. **Reliable Monitoring Devices:** These devices must be accurate, easy to use, and capable of transmitting real-time data.
  - ✓ 2. **Secure Data Transmission:** Ensuring patient data is transmitted securely is critical to maintaining patient trust and complying with regulations such as HIPAA.
  - ✓ 3. **Data Analytics:** Robust analytics tools are necessary to process and interpret large volumes of data collected.
  - ✓ 4. **Patient Engagement Tools:** Tools that promote patient involvement-such as mobile apps with reminders and educational resources-are essential for the success of RPM.
  - ✓ 5. **EHR Integration:** Integration with Electronic Health Records (EHR) ensures that healthcare providers comprehensively view the patient's health history.

# NJ HFMA – HCEF

- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**
  - ✓ **Artificial Intelligence (AI) Helps Providers**
    - ✓ Several vendors have added capabilities to offer providers relevant medical and insurance policy information in an instant.
    - ✓ Startups are responding by creating tools geared toward helping providers more seamlessly navigate the utilization management process
    - ✓ The American Medical Association said more than 80% of its members don't always appeal refusals because many don't think they'll be successful, have limited time, or need to provide urgent care.
    - ✓ Startups are also developing large language models that are trained using plan policies and clinical data to craft appeal letters.
    - ✓ The Centers for Medicare and Medicaid Services' final rule requiring government-sponsored health plans to respond to requests more quickly, provide reasons for denying care and publicly share that data is a step in the right direction

# NJ HFMA – HCEF

## ✓ Polling Question #3

To Join the Poll – [Slido.com](https://www.slido.com)

Participant #5412943

Password – oamccn

Click on Poll on Top

slido

Please download and install the Slido app on all computers you use



**Which of the following is a reason why PE backed practices are losing physicians?**

① Start presenting to display the poll results on this slide.



# NJ HFMA – HCEF

## ✓ Payers

### ✓ Top Insurer Stories of 2024

- ✓ The December murder of UnitedHealthcare CEO Brian Thompson shocked the healthcare industry and highlighted public frustration with health insurers.
- ✓ The Medicare Advantage annual enrollment period was marked by significant industry changes, including increased government scrutiny, tighter CMS regulations, reduced base payments, and rising healthcare costs.
- ✓ Insurers and self-funded employers made significant changes to their GLP-1 drug coverage policies in 2024, reflecting the financial and operational challenges posed by the high-cost medications.
- ✓ The February ransomware attack on UnitedHealth subsidiary Change Healthcare was described by the American Hospital Association as "the worst cyberattack in healthcare history" and disrupted one-third of all U.S. healthcare transactions.
- ✓ Donald Trump nominated Mehmet Oz, MD, a television personality and professor emeritus of cardiothoracic surgery at Columbia University, to lead CMS.
- ✓ In February, The Wall Street Journal reported that the Justice Department has opened an antitrust investigation into UnitedHealth Group.

# NJ HFMA – HCEF

## ✓ Payers

### ✓ Top Insurer Stories of 2024

- ✓ Major insurers, including UnitedHealth, Aetna and Cigna, made millions from processing fees by using MultiPlan, a data analytics firm, to determine how much to pay providers for out-of-network claims
- ✓ A new CMS rule aiming to streamline Medicare Advantage and Part D prior authorizations took effect Jan. 1.
- ✓ CMS finalized a rule to streamline the prior authorization process and improve the electronic exchange of health information that it estimates will save \$15 billion over 10 years. Beginning primarily in 2026
- ✓ CMS revised Medicare Advantage star ratings for UnitedHealthcare and Centene after a court ruled in UnitedHealthcare's favor regarding disputed methodology involving "secret shopper" phone calls.
- ✓ Large employers are facing lawsuits from employees over claims of mismanaging health and pharmaceutical benefits and violating their fiduciary duties under the Employee Retirement Income Security Act.

# NJ HFMA – HCEF

## ✓ Technology

### ✓ Technology Companies and Hospital at Home

- ✓ Technology companies are rolling out new services to health systems as enticements to launch hospital-at-home programs.
- ✓ Some have not yet launched hospital-at-home programs in part because of cost, staffing shortages and logistical problems, among other challenges. Some may also be waiting to see if Congress will extend the waiver.
- ✓ Starting and maintaining hospital-at-home programs can be an expensive undertaking for many health systems. CMS requires providers set up command centers staffed by physicians and nurses who make virtual daily visits to patients and are on call around-the-clock in case patients' conditions worsen. Nurses must also make onsite visits twice a day.
- ✓ Medically Home announced a new partnership with Atlanta-based SCP Health last month to staff physicians and nurses at a command center in Dallas that health system partners can use if they don't want to establish their own hub.

# NJ HFMA – HCEF

## ✓ Polling Question #4

To Join the Poll – [Slido.com](https://www.slido.com)

Participant #5412943

Password – oamccn

Click on Poll on Top

slido

Please download and install the Slido app on all computers you use



**Which of the following is not true about rural retirees and health systems view of Medicare Advantage plans?**

① Start presenting to display the poll results on this slide.

Healthcare  
Current Events  
Forum

**MJM** Advisory and  
Educational Services

CEO and Founder

Michael McLafferty CPA, MBA,  
FACMPE, FACHE, FHFMA

[michael@mjmaes.com](mailto:michael@mjmaes.com)

<https://mjmaes.com>

Cell 732-598-8858