Healthcare Current Events Forum

NJ HFMA
Healthcare Current Events Forum (HCEF)
January 2026

NJ HFMA – Healthcare Current Events Forum

Agenda
- ✓ **National/State Issues**
  - ✓ Healthcare Update (KPMG)
  - ✓ Healthcare Policy Update (Becker)
  - ✓ Rural Healthcare $50B Fight (MH)
- ✓ **Part A - Hospital**
  - ✓ Hospital Flash Report (Kaufman Hall)
  - ✓ Hospital at Home ROI (MH)
- ✓ **Part B – Outpatient**
  - ✓ Telehealth Policy Update (MGMA)
  - ✓ ACA Approval (Beckers)
- ✓ **Artificial Intelligence**
  - ✓ What is an AI agent? (MH)
- ✓ **Next monthly meeting**
  - ✓ Wednesday, February 18, 2026

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- **National/State Issues**

  - **KPMG Healthcare Regulation**

    - CDC updated its childhood immunization schedule, reducing the number of broadly recommended vaccines from 17 to 11. Following a December presidential directive , the CDC now recommends that the RSV, hepatitis A/B, dengue, and meningococcal vaccines only be given to high-risk individuals; the agency also recommends that the influenza, COVID-19, and rotavirus vaccines be provided based on shared clinical decision-making between parents and providers.

    - CMS unveiled first-year awards under the $50B Rural Health Transformation Program, distributing $10B to all 50 states in 2026 with an average of $200M per state—Texas receiving the highest at $281M and New Jersey the lowest at $147M. Funds aim to support state goals including expanding rural care access, strengthening workforces, modernizing facilities and technology, and advancing value-based payment models.

    - HHS Secretary Robert F. Kennedy Jr. and Agriculture Secretary Brooke Rollins announced a major overhaul of nutrition guidelines, prioritizing "real food" like high-quality proteins, healthy fats from whole sources (meat, full-fat dairy, eggs), fruits, vegetables, and whole grains while restricting ultra-processed foods, added sugars, and refined carbs for the first time.

    - HHS and DEA issued a fourth temporary extension of COVID-19-era telemedicine flexibilities, allowing licensed practitioners to prescribe Schedule II-V controlled medications via audio-video (or audio-only for certain opioid use disorder treatments) without an initial in-person exam, effective through December 31, 2026.

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- **National/State Issues**

  - **KPMG Healthcare Law and Policy Update**

    - A federal judge has allowed HHS to resume sharing limited biographical data on undocumented immigrants with Immigration and Customs Enforcement (ICE), lifting a previous block. The ruling, however, maintains certain protections, explicitly prohibiting the sharing of sensitive medical information and any data related to citizens and legal residents.

    - Open AI launched ChatGPT Health, a product integrating electronic medical records, Apple Health, and apps like MyFitnessPal to enable data-driven medical queries, leveraging 40M daily health/insurance interactions. The pilot isolates health data from model training with user deletion options, despite potential court-ordered disclosures of stored data.

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- ✓ **National/State Issues**
  - ✓ **Healthcare Policy Update**
    - ✓ Enhanced subsidies expire: Enhanced premium tax credits expired Dec. 31, leaving millions of marketplace enrollees facing higher premiums in 2026. The enhanced subsidies, introduced under the 2021 American Rescue Plan Act, increased subsidy amounts and expanded eligibility to households earning more than 400% of the federal poverty level, capping benchmark plan premiums at 8.5% of income.
    - ✓ CMS finalizes 2026 rules: CMS issued the Notice of Benefit and Payment Parameters final rule for 2026, establishing standards for insurers offering health plans through federal marketplaces and state-based exchanges on the federal platform. The rule, effective Jan. 15, 2025, applies to plan year 2026.
    - ✓ Medicaid expansion incentive ends: States that newly adopt Medicaid expansion will no longer receive the temporary FMAP boost (the two-year, 5-percentage-point increase).
    - ✓ Premium tax credits restricted for certain immigrants: Lawfully present noncitizens with incomes below 100% of the federal poverty line who are ineligible for Medicaid due to immigration status will no longer qualify for marketplace subsidies. CBO estimates about 300,000 people will lose coverage.
    - ✓ Premium tax credit repayment caps removed: Enrollees who receive excess advance premium tax credits will now have to repay the full amount, regardless of income. Previously, repayment caps applied to households under 400% FPL.

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✔ Polling Question #1

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Which of the following is not true about healthcare policy?

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- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement**
- ✓ **Kaufman Hall January 2026 Hospital Flash Report (November 2025 Data)**
  - ✓ Key Findings
    - ✓ 1. Performance this month declined compared to last month. On a year-to-date basis, revenue, volume, and margins are still strong compared to prior years.
    - ✓ 2. Volumes decreased across all services. Some of the dip in volume could be attributed to November holidays, with fewer elective surgeries and procedures.
    - ✓ 3. Expenses rose on a volume-adjusted basis, while revenues did not. This highlights the challenge organizations have when managing fluctuating volumes and adjusting their overall spend in response.
  - ✓ Operating Margins (Without Corporate Allocations)
    - ✓ CYTD – 5.6% Operating Median Margin November 2025
    - ✓ Monthly – 6.1% Operating Median Margin November 2025

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✓ **National/State Issues**

   ✓ **Rural Hospital Update**

      ✓ Rural and urban hospitals are competing for portion of the rural health fund.

      ✓ Some urban hospitals are classified as rural referral centers, giving them access to rural health programs.

      ✓ The $50 billion Rural Health Transformation Program has set up a hospital clash as states map out plans to support rural healthcare.

      ✓ Rural and urban hospitals, vendors and other healthcare stakeholders are positioning themselves for a portion of the funding the Centers for Medicare and Medicaid Services will give to states over a five-year period starting next year.

      ✓ The program has sparked debate on what is a rural hospital, a designation that can unlock higher reimbursement. Regulators use dozens of definitions, complicating efforts to determine how states should prioritize rural health funding.

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

    ✓ **Hospital at Home ROI**

        ✓ Sixty percent of 101 healthcare executives said their hospital-at-home programs were making some or a significant return on investment, according to a survey published in November by healthcare consulting firm Sage Growth Partners. The remaining 40% said their programs were either break-even or losing money.

        ✓ One of the biggest mistakes providers make is starting home-based acute-care programs with the goal of admitting only three to four patients a day for several months.

        ✓ Mass General Brigham, Atrium Health and Mayo Clinic also have used hospital-at-home as a springboard to launch other home-based care programs, including pediatric hospital-at-home and cancer care at-home.

        ✓ Having agreements with a variety of payers, including traditional Medicare, private insurers and state Medicaid plans can help mitigate some risk and keep programs profitable.

✔ Polling Question #2

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Which of the following is true regarding hospital at home ROI?

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- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**
  - ✓ **Telehealth Policy Update**
    - ✓ ORIGINATING SITE/GEOGRAPHIC LOCATION
      - ✓ Service received at originating site (not a home)
      - ✓ Location is waived – patients can be seen anywhere
      - ✓ January 30, 2026
    - ✓ QUALIFYING PROVIDERS
      - ✓ Certain providers are allowed to deliver telehealth services
      - ✓ Provider types extended to PTs, OTs, and SLPs
      - ✓ January 30, 2026
    - ✓ AUDIO-ONLY SERVICES
      - ✓ CMS does not cover audio visits without a visual component
      - ✓ CMS will reimburse for services via phone (E&M visits)
      - ✓ N/A (Per the 2025 Medicare PFS services provided in a beneficiary's home under certain conditions will be permanently covered)

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- **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**
  - **ACA Approval**
    - Sixty-three percent of independents now approve of the ACA, up 10 points from last year, according to Gallup, which has tracked ACA approval since 2012. That rise helped push overall approval to 57%.
    - Among those who approve of the ACA:
      - 45% want to keep it largely as is
      - 49% favor keeping it but with significant changes
      - Those who disapprove are much more likely to support complete repeal (72%) than significant modifications (24%).
      - Support among Democrats remains high at 91%; among Republicans, it stays at 15%.
    - A separate nationwide Gallup panel found 73% of adults believe the government should help fund hospital bills for uninsured patients. Among them: 78% of independents and 93% of Democrats agreed; among Republicans, 53% disagreed.

✓ Polling Question #3

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Which of the following is not true about ACA approval?

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- ✓ **Artificial Intelligence**
  - ✓ **What is an AI Agent?**
    - ✓ AI agents perform tasks autonomously, rather than a one-and-done response to a prompt, such as large language models like ChatGPT. Agents differ in that they take some action.
    - ✓ They are emerging in healthcare for tasks such as clinical documentation and workflow automation, operations optimization, patient communication and research support.
    - ✓ Epic and Oracle Health are both building AI agents into their EHRs for tasks including clinical documentation, prior authorizations and care gap closures. "That agent finds that a patient is behind on their vaccines or immunizations, and that agent can send a notification to the patient via MyChart that they might want to get a vaccination appointment scheduled.

✔ Polling Question #4

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Which of the following is not true about AI agents?

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