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## Articles:

- 1. VHHA in Action
- 2. Register for Nov. 29 Healthcare Workforce Summit Hosted by VCCS, VHHA, Stakeholder Groups
- 3. CMS Issues Proposed Policy Changes to Medicare Advantage, Prescription Drug Benefit Program
- 4. FDA Approves Medication for Chronic Weight Management in Adults
- 5. HHS Issues Final Rule to Remedy 340B Payment Cuts
- 6. VHHA Patients Come First Podcast Features VCU Dentistry Professor
- 7. Qualivis to Host Dec. 1 Webinar on the Value of Virtual Nursing
- 8. CMS Displays 'Birthing Friendly' Hospital Designation on Medicare Care Compare Website
- 9. HHS Issues New Ransomware Threat Alert for Health Care Sector
- 10. Around the State

## 1. VHHA in Action

Each day, VHHA actively works on behalf of its members, their employees, and Virginians to advance the interests of Virginia's hospitals and health care systems. In the past week, here are some developments of interest to Virginia hospitals and health systems:

- VHHA held a meeting of the **Payer Advisory Committee** this week. The Committee is a forum for hospital payor relations and revenue cycle leaders to discuss priority issues and ongoing payor-related challenges.
- Virginia's run as one of the top states in the nation for hospital safety scores continues. The Commonwealth is <u>second overall among states in the Fall 2023 Leapfrog Group Hospital Safety</u> <u>Grade state rankings</u> that are based on the share of hospitals in each state that earn "A" grades. Last year, Virginia was <u>second overall in the Fall 2022 rankings</u> and second overall in the <u>Spring 2022 rankings</u>. The Commonwealth has regularly been a high-achieving state in the bi-annual Leapfrog rankings: Virginia was <u>first overall in the Fall 2021 rankings</u>, fourth in Spring 2021, sixth in Fall 2020, third in Fall 2019, second in Spring 2019, third in Fall 2018, and fifth in Spring 2018. The Hospital Safety Grade program assigns letter grades to nearly 3,000 general acute care hospitals across the nation based on safety data from the **Centers for Medicare & Medicaid Services** (CMS), the Leapfrog Group, and other sources. In the latest rankings, 35 of 69 Virginia general acute care hospitals received an "A" grade, placing the Commonwealth second among states in the nation. Read more <u>here</u>, including a list of all "A" grade Virginia hospitals.
- This week, VHHA and the Virginia Coordinated Clinical Research Network (VCCRN) hosted a Biotech and Beer networking event sponsored by VCU TechTransfer and Ventures, Activation Capital, Virginia Bio, VA Bio-Connect, and Go Virginia. Richmond is home to a robust network of biotech, pharma, medical device, health care, and life science professionals. This event brought

together Richmond life science innovators from start-ups, academia, and industry along with regional ecosystem builders.

- The U.S. Food and Drug Administration (FDA) has recognized a consensus standard to help medical device makers address cybersecurity concerns. The agency said the SW96:2023 standard for medical device security and security risk management, published by the American National Standards Institute and the Association for the Advancement of Medical Instrumentation, aligns with existing international safety risk management standards and quality systems defined by ISO 14971, and enumerates expectations and provides direction to sponsors on how to address cybersecurity risks in device design and development.
- CMS recently issued the hospital outpatient prospective payment system (OPPS) <u>final rule</u>, the home health prospective payment system <u>final rule</u>, and the physician fee schedule (PFS) <u>final</u> <u>rule</u> for calendar year (CY) 2024. The OPPS rule increases rates by a net 3.1 percent in CY 2024 compared to 2023. It also creates standardized formats for hospital price transparency files and expands access to behavioral health. The final rule includes new and modified measures for the Quality Reporting Program. The home health prospective payment system final rule will increase home health payments by a net \$140 million, or 0.8 percent, in calendar year 2024, relative to the year prior. The PFS rule finalizes a 3.4 percent reduction in CY 2024 payments from the CY 2023 levels. It also withdraws all regulations related to the Appropriate Use Criteria program and delays for at least one year the requirement that practitioners who render telehealth services from their home report their home address on enrollment and claims forms. And the rule includes changes related to the Medicare Shared Savings Program and Quality Payment Program, both of which were created by the Medicare Access and CHIP Reauthorization Act of 2015.
- The Virginia Infection Prevention Training Center (VIPTC) will host a free webinar today (Friday, Nov. 17 from 12-1 p.m.) about Antimicrobial Stewardship and Shorter Antibiotic Resistance. Hear the latest from Dr. Brad Spellberg, Chief Medical Officer at the Los Angeles General Medical Center, as he discusses the history, pros and cons, and appropriate uses of short-course antibiotics. CE credit is offered. Register for the webinar here.
- VHHA recently hosted a webinar to share information about the Virginia Department of Health (VDH) Vaccines for Children (VFC) program. The VFC program provides nirsevimab (Beyfortus), a long-acting monoclonal antibody for the prevention of RSV in infants, free of charge to enrolled birthing hospital providers. During the webinar, VDH representatives provided information on program specifics and enrollment. Officials from the Virginia Department of Medical Assistance Services (DMAS) also shared policy and coverage information specific to the administration of Beyfortus in the hospital environment. View a webinar recording here.
- To provide the health care community with timely information on emerging issues, VHHA will host a quarterly public health webinar series for Virginia hospitals and health systems featuring updates provided by VDH officials. Topics covered in this ongoing webinar series may include disease surveillance, modeling, influenza, RSV, and unique pathogens. Additional topics may vary depending on current events. See more information and register for this series through this link.
- VHHA actively engages with the news media to share public messaging and coordinate member media appearances to showcase the important work done by Virginia hospitals. That includes recent coverage from the <u>Virginia Mercury</u>, the <u>Virginia Star</u>, and the <u>Republican Standard</u>. Back

2. Register for Nov. 29 Healthcare Workforce Summit Hosted by VCCS, VHHA, Stakeholder Groups

The Virginia Community College System (VCCS) is hosting a Healthcare Summit focused on workforce development and challenges on Nov. 29 from 10 a.m.-3 p.m. at the Brightpoint Community College Chester Campus. The event is being hosted in conjunction with Virginia Health and Human Resources Secretary John Littel, the Virginia Hospital & Healthcare Association, the Claude Moore Foundation, the Virginia Health Care Association and Virginia Center for Assisted Living, the Virginia Dental Association, and the Virginia Chamber of Commerce. The goal of the event is to build support among health care organizations and partners in preparation for legislative asks to support health care program offerings by Virginia's Community Colleges to promote workforce development efforts. The Summit will highlight what VCCS is already doing and strategies for scaling health care programs and pipelines across the Commonwealth and the health care spectrum (nursing, allied health, dental, and behavioral health). Participants will be asked to work collaboratively to develop plans to improve accessibility and quality of healthcare programs on a regional basis. See more information about the Summit here and register for this free event through this link.

<u>Back</u>

#### 3. CMS Issues Proposed Policy Changes to Medicare Advantage, Prescription Drug Benefit Program

CMS recently released proposed policy and technical changes to the Medicare Advantage and Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly, and Health Information Technology Standards for contract year (CY) 2025. The proposal includes changes intended to strengthen beneficiary protections, promote access to behavioral health care providers, advance equity in coverage, and improve supplemental benefits in the Medicare Advantage (MA) program. This includes proposals to strengthen network adequacy standards for certain behavioral health provider types; streamline the appeals process for enrollees if their MA plan terminates coverage for certain post-acute care services; lay the groundwork for increasing data collection and reporting from Part C and D plans; annually review MA utilization management policies for health equity considerations; provide new guardrails for plan compensation to agents and brokers to prevent undue influence on beneficiary enrollment decisions; ensure that MA plans offer appropriate supplemental benefits; streamline enrollment for individuals dually eligible for Medicare and Medicaid; standardize the appeals process for MA Risk Adjustment Data Validation audit findings; limit out-ofnetwork patient cost-sharing for certain plans serving dually eligible enrollees; and give Part D plans more flexibility to substitute biosimilars for reference drug products. The deadline for public comments on the proposed changes is Jan. 5, 2024.

#### <u>Back</u>

### 4. FDA Approves Medication for Chronic Weight Management in Adults

The FDA recently approved the Zepbound (tirzepatide) injection for chronic weight management in adults with obesity [body mass index of 30 kilograms per square meter (kg/m2) or greater] or overweight (body mass index of 27 kg/m2 or greater) with at least one weight-related condition (high blood pressure, type 2 diabetes, or high cholesterol) for use, in addition to a reduced calorie diet and increased physical activity. Tirzepatide, the active ingredient in Zepbound, is already approved under the trade name Mounjaro to be used along with diet and exercise to help improve blood sugar (glucose) in adults with type 2 diabetes mellitus. Read more <u>here</u>. In other news, the FDA <u>recently cleared</u> for marketing the first over-the-counter antigen test for COVID-19. ACON Laboratories' Flowflex COVID-19 Antigen Home Test, originally authorized for emergency use in 2021, is now the second home COVID-19

test to successfully complete a traditional FDA premarket review pathway, and the first indicated for use in children under 18. A molecular home test received FDA clearance earlier this year.

<u>Back</u>

## 5. HHS Issues Final Rule to Remedy 340B Payment Cuts

The U.S. Department of Health and Human Services (HHS) recently issued a final rule explaining how the agency will address payment cuts previously imposed on certain hospitals that participate in the 340B Drug Pricing Program. Those payment cuts were deemed "unlawful" in a previous ruling by the U.S. Supreme Court. Under the plan, HHS will repay 340B hospitals that were underpaid from 2018 to 2022 in a single-lump sum payment and will reimburse hospitals the amount they would have received as cost-sharing payments from beneficiaries. Any hospital that believes the Centers for Medicare & Medicaid Services has made an error in calculating its lump-sum payment should contact CMS detailing the error and any supporting documentation by emailing outpatientpps340B@cms.gov by 11:59 p.m. on Nov. 30. HHS also finalized its proposal to recoup funds from those hospitals that received increased rates for non-drug services from 2018 to 2022. HHS will recoup these funds by adjusting the outpatient prospective payment system conversion factor by minus 0.5 percent starting in calendar year 2026 one year later than HHS had originally proposed and as AHA strongly advocated in its comments making this adjustment until the full amount is offset, which the department estimates to be 16 years. In tangentially related news, the U.S. Health Resources and Services Administration (HRSA) recently issued a notice to inform and remind stakeholders of the registration requirements for off-site, outpatient hospital facilities to participate in the 340B Drug Pricing Program. The notice applies to all hospital types that participate in the 340B Program. It requires hospitals in the 340B Program to register off-site outpatient departments, known as child sites, with the 340B Office of Pharmacy Affairs within 90 days in order to access 340B drug pricing. HRSA provided flexibility regarding the registration of 340B child sites during the COVID-19 public health emergency, which ended in May. Three days before the end of the PHE, HRSA issued a notice instructing hospitals to stop purchasing 340B drugs at outpatient facilities that are not yet included in the hospital's Medicare cost report and registered with HRSA.

<u>Back</u>

# 6. VHHA Patients Come First Podcast Features VCU Dentistry Professor

The latest episode of VHHA's *Patients Come First* podcast features an interview with **Dr. Garry Myers**, Director of Graduate Endodontics and an Associate Professor in the **VCU School of Dentistry**, for a conversation about his military career, the discipline of endodontics, workforce challenges impacting dentistry, his involvement in the Iditarod dog sled races, and more. Listen to the episode here and hear past episodes through this link. Podcast episodes are also available through these podcast apps and networks: Apple Podcast, Amazon Music, Spotify, Pandora, Google Podcasts, Stitcher, Tuneln, SoundCloud, Blubrry, iHeart Radio, Deezer, Podbay, Overcast, Pocket Casts, the Virginia Audio Collective, the <u>Public Health Podcast Network</u>, the <u>World Podcast Network</u>, and the <u>Family Podcast Network</u>. The podcast can also be heard on the radio airwaves – episodes air each Saturday at noon and Sunday at 10 a.m. on 100.5 FM, 107.7 FM, 92.7 FM, and 820 AM across Central Virginia and 1650 AM in Hampton Roads, and Wednesdays at 1 p.m. on 93.9 FM in Richmond. Send questions, comments, feedback, or guest suggestions to <u>pcfpodcast@vhha.com</u>. – Salinna Lor

<u>Back</u>

**Qualivis**, a **VHHA Shared Services** partner, is hosting a webinar at 1 p.m. on Dec. 1 focused on health systems in the midst of shifting towards virtual nursing, a novel approach to care that has the potential to elevate patient experience, enhance nurse job satisfaction, and yield substantial operational and financial advantages for health care organizations. Register for the webinar <u>here</u>.

<u>Back</u>

## 8. CMS Displays 'Birthing Friendly' Hospital Designation on Medicare Care Compare Website

CMS has begun displaying a "birthing friendly" hospital designation on the <u>Medicare Care Compare</u> <u>website</u>. This first-of-its-kind designation is a reflection of high-quality maternity care that hospitals and health systems can earn by reporting their progress on the CMS Maternal Morbidity Structural Measure to the Hospital Inpatient Quality Reporting (IQR) Program, which identifies whether a hospital or health system has participated in a statewide or national perinatal quality improvement collaborative program and has implemented evidence-based quality interventions in hospital settings to improve maternal health. A hospital <u>mapping tool</u> can be accessed here. The designation was adopted last year as part of an update to the CMS Inpatient Quality Reporting Program. Read more <u>here</u>.

<u>Back</u>

## 9. HHS Issues New Ransomware Threat Alert for Health Care Sector

The HHS Office of Information Security recently issued an alert about a relatively new ransomware group and strain known as BlackSuit that is likely to be a credible threat to the health care and public health sector. Discovered in early May 2023, BlackSuit's striking parallels with Royal, the direct successor of the former notorious Russian-linked Conti operation, potentially places the group with one of the most active ransomware groups in operation today. BlackSuit operates using a double extortion method that steals and encrypts sensitive data on a compromised network. So far, the specific use of BlackSuit ransomware has been observed in a small number of attacks. The most recent suspected attack, in October 2023, was against a U.S.-based health care organization whose servers and systems were encrypted with malware, tentatively identified as BlackSuit. Read more here. In related news, HHS recently alerted health care organizations about the potential threat of the ransomware gang, 8Base, following a recent attack on a U.S. medical facility. 8Base is a data-extortion cybercrime operation rather than a ransomware operation. The group engages in double extortion tactics as an affiliate of Ransomware-as-a-Service (RaaS) groups against mostly small- to medium-sized companies. While similarities exist between 8Base and other ransomware gangs, the group's identity, methods, and motivations remain largely unknown. Read the alert here. In related news, the Cybersecurity and Infrastructure Security Agency (CISA), FBI, and the Multi-State Information Sharing and Analysis Center recently alerted organizations to a critical vulnerability affecting certain versions of the Atlassian Confluence Data Center and Server that enables malicious actors to obtain access to victim systems and continue active exploitation post-patch. The agencies strongly encourage network administrators to immediately apply the recommended upgrades and recommended responses to indicators of compromise. The FBI and CISA also recently released updated recommendations to protect against AvosLocker ransomware. Federal agencies have also offered recent guidance to help organizations reduce the risk of <u>ransomware</u> and <u>phishing</u> attacks, as well as <u>guidance for software manufacturers</u>.

<u>Back</u>

**Aaron Lewis** has been named Executive Vice President and CFO of **Lifepoint Health**. He currently serves as Executive Vice President of Growth and Integrated Solutions for Lifepoint. He previously served as Senior Vice President of Care Continuum and Business Transformation for the health system. Read more <u>here</u>.

VHHA Senior Director of Payor Relations **Craig Connors** has been appointed to the **Virginia Health Benefit Exchange Advisory Committee** by **Virginia Governor Glenn Youngkin**. **Dr. Zarmina Yusufi**, MD, of **Mary Washington Healthcare's Stafford Hospital** has been appointed to the **Office of New Americans Advisory Board** by the Governor. **Lynn Hall Campbell**, a Regional Practice Administrator with **Bon Secours Mercy Health**, has been appointed to the **Board of Long-Term Care Administrators** by the Governor. **Ronnie Hayes** and **Hannah Tyler**, polysomnographic technologists at **VCU Health**, have been appointed to the **Advisory Board of Polysomnographic Technology** by the Governor. And **Becky Alwood**, an occupational therapist at **Sheltering Arms Institute**, has been appointed to the **State Rehabilitation Advisory Council** by the Governor. Read more <u>here</u>.

Former VHHA President **Laurens "Larry" Sartoris** recently passed away at the age of 78. Sartoris, an attorney by training, spent the majority of his career with VHHA, including 27 of his 37 years with the Association as president. He is survived by his wife of 49 years, Faith, two adult children, and two grandchildren. VHHA offers sincere condolences to the Sartoris family and all who knew and worked with Larry over the years. Read a full obituary, including memorial service details, <u>here</u>. – Salinna Lor

<u>Back</u>