Congress remained in recess this week but will return to Washington next week to begin a crucial six-week legislative period where both chambers will be in session for a large majority of the time leading up to the Memorial Day holiday. The main priority for this period will be reigniting negotiations on raising the federal debt ceiling, which is projected to be breached, at the earliest, by June. Negotiations between Speaker of the House Kevin McCarthy (R-CA) and President Biden on a debt ceiling deal have stalled since the two last met two months ago on the issue. However, the impending threat of the federal government defaulting on its loans and sending the nation into economic turmoil is expected to bring the two sides back together. House and Senate Appropriations Committees will also continue their work preparing fiscal year (FY) 2024 federal funding legislation. Although, it is highly unlikely that either Committee releases their own appropriations bills before legislation is enacted raising the federal debt ceiling that could also include caps on federal spending.

The University of Minnesota Washington Update provides intelligence and analysis on recent federal activities. Contact Jackson Clark, Lewis-Burke Associates LLC, at jackson@lewis-burke.com with any questions or comments related to the Update’s content.

**Policy, Agency Updates and Funding, Engagement Opportunities**

**Policy Update: PCAST Recommends New Initiatives in Extreme Weather Risk Assessments, Strengthening the U.S. Public Health Workforce, and Transportation Innovation**

On March 30, the President’s Council of Advisors on Science and Technology (PCAST) met to finalize and unanimously approve two reports to President Biden with recommendations on improving extreme weather risk assessments and strengthening the public health workforce. PCAST also discussed initial topics to launch new transportation innovation programs under the newly formed Advanced Research Projects Agency-Infrastructure (ARPA-I) within the Department of Transportation. PCAST plans to release final reports at the end of April.
A full analysis, which highlights major recommendations ahead of the reports’ release, can be found [here](#).

[back to the top]

**Policy Update: CMS Issues FY 2024 Inpatient Prospective Payment System Rule**

The Centers for Medicare and Medicaid Services (CMS) issued the fiscal year (FY) 2024 Medicare hospital inpatient prospective payment system (IPPS) and long-term care hospital prospective payment system (LTCH PPS) proposed rule. While the rule follows several policies issued by CMS to improve health equity and reduce the impact of social determinants of health in the delivery of care, acute care hospitals will see a moderate payment increase, and Long-Term Care Hospitals (LTCH) will receive a negative update under the proposed rule. Hospitals serving high-risk and underserved populations may be adversely impacted by the moderate increase as the public health emergency (PHE) comes to an end and inflationary pressure continues. Below are key highlights of the proposed rule.

**Payment Rate Changes**

Under the proposed rule, acute care hospitals will receive a 2.8 percent update, based on an overall 3 percent increase and 0.2 percent productivity adjustment. Regarding Medicare disproportionate share hospitals’ (DSH) other uncompensated care and supplemental payments, CMS updated the factors to calculate their methodology. This update would result in “the amount available to distribute as payments for uncompensated care for FY 2024 decreasing by approximately $161 million” compared to their estimate of payments that will be distributed in FY 2023.

**Graduate Medical Education**

The proposed rule makes changes to the graduate medical education (GME) program to accommodate training in newly designated Rural Emergency Hospitals. Rural Emergency Hospitals were created in the Consolidated Appropriations Act of 2021 as a new provider type that became effective on January 1, 2023. CMS is using its regulatory flexibility to allow recently converted critical access hospitals and newly established rural emergency hospitals to begin training residents on or after October 1, 2023.

**Request for Information from Safety Net Hospitals and Health Equity**

The Medicare Payment Advisory Commission (MedPAC), in its June 2022 report, stated that safety net hospitals are having a difficult time competing with other hospitals for labor and technology. In response, CMS is requesting public feedback on the challenges facing safety-net hospitals and potential solutions to assist them.

**Code Changes for Social Determinants of Health**

Following President Biden’s Executive Order on “Further Advancing Racial Equity and Support for Underserved Communities Through The Federal Government” ([13985](#)) issued on January 20, 2021, CMS is proposing a change to the severity level designation for three ICD-10 codes when describing homelessness. The change is from non-complication or comorbidity to complication or comorbidity and is meant to recognize the greater need for hospital resources by unsheltered individuals.

**COVID-19 Treatment Add-On Payment**

CMS began the New COVID-19 Treatments Add-on Payment (NCTAP) at the start of the public health emergency (PHE) to provide an incentive for hospitals to treat patients with new COVID-19 therapies. In response to the Biden Administration setting the end of the PHE for May 2023, CMS is proposing to have NCTAP expire at the end of FY 2023.
PPS-Exempt Cancer Hospital Quality Reporting Program

CMS is proposing changes to the PPS-Exempt Cancer Hospital Quality Reporting (PCHQR) program for the eleven cancer hospitals statutorily exempt from the IPPS. The public display of the Surgical Treatment Complications for Localized Prostate Cancer measure will begin with data from FY 2025, the COVID-19 Vaccination among Health Care Personnel measure will be modified to align with the Hospital Inpatient Quality Reporting Program and the LTCH Quality Reporting Program, and the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey measure will be modified for the FY 2027 program year. In addition, four new measures will be added to the PCHQR program:

- The Facility Commitment to Health Equity beginning with the FY 2026 program year;
- The Screening for Social Drivers of Health beginning with voluntary reporting in the FY 2026 program year and mandatory reporting in the FY 2027 program year;
- Screen Positive Rate for Social Drivers of Health measure beginning with voluntary reporting in the FY 2026 program year and mandatory reporting in the FY 2027 program year; and
- Documentation of Goals of Care Discussions Among Cancer Patients measure beginning with the FY 2026 program year.

Comment Period on Proposed Rule
To be assured consideration, comments must be received at one of the addresses provided in the proposed rule by June 9, 2023.

Sources:

Policy Update: HHS Issues Proposed Rule to Enhance Health IT Interoperability and Use of Artificial Intelligence in Clinical Decision Support Tools

The Office of the National Coordinator of Health IT (ONC) within the Department of Health and Human Services (HHS) released a proposed rule that would implement portions of the 21st Century Cures Act and modify the ONC Health IT Certification Program. The proposed rule would:

- Implement the Electronic Health Record Reporting Program as a new Condition of Certification for developers of certified health information technology (health IT) under the Program;
- Modify and expand exceptions in the information blocking regulations to support information sharing;
- Revise Certification Program criteria, including existing criteria for clinical decision support (CDS), patient demographics and observations, electronic case reporting, and application programming interfaces for patient and population services;
- Adopt the United States Core Data for Interoperability (USCDI) Version 3 as a standard within the Certification Program and establish an expiration date for USCDI Version 1; and
- Update standards and implementation specifications adopted under the Certification Program to advance interoperability, support enhanced health IT functionality, and reduce burden and costs.
ONC is also proposing new regulations around predictive decision support interventions (DSIs). In the proposed rule, ONC recognizes the growing role of artificial intelligence and machine learning (AI/ML) in the development of DSIs and other clinical decision support tools. The agency is seeking to mitigate the potential adverse effects of DSIs on healthcare decisions and believes that AI/ML-based tools can reduce bias but can also introduce or reinforce biases which can lead to discriminatory outcomes. ONC provided an example in the proposed rule of a model that was used to enroll patients in preventive services. As designed, the model had a detrimental impact of under-targeting African Americans because of their historical underutilization of such services. To address these concerns, the agency is seeking to “improve transparency, promote trustworthiness, and incentivize the development and wider use of fair, appropriate, valid, effective, and safe predictive DSIs to aid decision-making.” The transparency requirements in the rule, according to ONC, will be a prerequisite to determine the quality of a predictive model.

Comments on the proposed rule must be submitted by June 20, 2023.

Agency Update: ED Updates Third-Party Servicer Guidance
The Department of Education (ED) earlier this year released a Dear Colleague Letter (DCL) revising guidance covering institutional use of third-party servicers (TPS). The new guidance included examples of TPS activities that would require new institutional reporting to the Department and new annual audit requirements for the third-party entities, as well as the use of incentive compensation, particularly as it relates to bundled education services. During the public comment period, which closed on March 28, ED received over 1,000 comments from stakeholders on the new guidance. On April 11, ED issued an update to this new TPS guidance. Key changes to the updated guidance include delaying the effective date of the guidance of September 1, 2023, to an effective date of at least six months after the final publication of the guidance, as well as removing guidance related to foreign ownership of a TPS. Additionally, ED outlined a number of activities that will not be considered to be TPS relationships including:

- “Study abroad programs.
- Recruitment of foreign students not eligible for Title IV aid.
- Clinical or externship opportunities that meet requirements under existing regulations because they are closely monitored by qualified personnel at an institution.
- Course-sharing consortia and arrangements between Title IV-eligible institutions to share employees to teach courses or process financial aid.
- Dual or concurrent enrollment programs provided through agreements with high schools and local education agencies, which are exempt because they do not involve students receiving Title IV aid.
- Local police departments helping to compile and analyze crime statistics, unless they write or file a report on behalf of an institution for compliance purposes.
- The Department will identify any other services that fall into this category as we review comments.”

The Department continues to hold virtual public listening sessions today and tomorrow to receive additional stakeholder feedback on potential issues for a future negotiated rulemaking process that will take place in the fall of 2023. In addition to TPS and related issues, the Department is considering proposed regulations on other issues including accreditation, return of title IV funds, and cash management, among other issues.
Funding Opportunity: Department of Labor Releases Building Pathways to Infrastructure Jobs Grant Program

The Department of Labor (DOL) Employment and Training Administration (ETA) released a funding opportunity announcement (FOA) for an H-1B Job Training Grants opportunity, the DOL Building Pathways to Infrastructure Jobs Grant Program. H-1B Skills Training Grants support projects in high-growth industries or economic sectors in the industries for which employers are using H-1B visas to hire highly-skilled foreign workers. The program focuses on funding “public-private partnerships to develop, strengthen, and scale promising and evidence-based training models in H-1B industries and occupations critical to meeting the goals of the Bipartisan Infrastructure Law (BIL)” and strengthening and diversifying the talent pipeline to support infrastructure sectors.

The program will support efforts in advanced manufacturing; information technology; and professional, scientific, and technical services occupations that support renewable energy, transportation, and broadband infrastructure sectors.

Applicants must choose one of the following tracks for this grant program:

1. **Development Track**: Developing and Implementing Local/Regional Worker-Centered Sector Strategy Programs
   - The focus is to develop and support local and regional partnerships that will implement sector-based training programs across one or multiple infrastructure-related sectors.

2. **Scaling Track**: Scaling Effective Worker-Centered Sector Strategy Programs
   - The purpose is to scale existing training models to the statewide or national level that has shown demonstrated success in one infrastructure-related sector.

Additional details for each track can be found in the full FOA. Applications must include strategies for ensuring diversity, equity, inclusion, and accessibility; career pathways that lead to middle- to high-skilled employment; and approaches for increasing job quality. Training program participants should be at least 17 years of age and not currently enrolled in secondary school. The FOA notes interest in grants to serve populations in smaller or rural communities or marginalized, underrepresented, and underserved groups. The announcement notes that “applicants should engage workers during the initial grant proposal development phase to ensure that worker needs and priorities and job quality are incorporated into the project design.” DOL anticipates hosting an applicant webinar and posting related FAQs in later April.

**Eligible Applicants**: Institutions of higher education, other national or community-based nonprofit organizations, and state, county, local, and Native American Tribal governments.

**Total Funding and Award Size**: DOL expects to award approximately $80 million to fund between 15-25 awards. Awards from the Development Track will range from $500,000 to $2 million, whereas awards from the Scaling Track will range from $2 million to $5 million. Cost share or matching funds are required for both tracks, applicants are instructed to contribute at least 15 percent of the total amount of requested funds. Both tracks will have a period of performance of 60 months with an anticipated start date of October 1, 2023.

Sources and Additional Information:
- The full FOA can be found on [www.grants.gov](http://www.grants.gov) under funding opportunity number “FOA-ETA-23-31” or [here](http://www.grants.gov).
- The H-1B Skills Training Program page can be found at [https://www.dol.gov/agencies/eta/skills-grants/h1-b-skills-training](https://www.dol.gov/agencies/eta/skills-grants/h1-b-skills-training).

Funding Opportunity: EDA Releases the FY 2023 STEM Talent Challenge Program
The U.S. Department of Commerce’s Economic Development Administration (EDA) released the Science, Technology, Engineering, and Mathematics (STEM) Talent Challenge that seeks to bolster workforce development through the creation and implementation of programs that support high-growth, high-wage entrepreneurial ventures, and industries in emerging technology sectors. While the STEM Challenge Program is an annual program launched in 2020, it did not run a competition in fiscal year (FY) 2022 and is, instead, running this year’s competition with FY 2022 and FY 2023 appropriated funds, more than doubling the program and award size. The STEM Talent Challenge encourages the creation and expansion of models to address unmet needs of employers in regional economies, including “competency-based, work-and-learn education and training models.” Experimentation and innovation are strongly encouraged in the development or expansion of initiatives and partnerships through the program.

The STEM Talent Challenge will be administered by EDA’s Office of Innovation and Entrepreneurship (OIE), which seeks to advance regional innovation and entrepreneurship through the support of startups and other industries in emerging sectors. The solicitation notes that the STEM Talent Challenge complements this mission by focusing more on improving and expanding the human capital needed to sustain growth of new regional technology ecosystems and address pervasive talent gaps. Applicants are encouraged to seek partnerships with local and regional industry leaders. Examples of transformative industries that could be targets for the STEM Talent Challenge listed in the solicitation include “artificial intelligence and machine learning, semiconductor fabrication, advanced manufacturing and robotics, space exploration and commerce, broadband expansion, bioscience, quantum information science, climate technologies, the built environment, and aqua- and agricultural technologies.” The solicitation notes that applications should include plans to build or expand community-based partnerships that link STEM employment opportunities to underserved populations and outline proposed outcomes.

The solicitation encourages a broad range of activities centered around identifying new quality, STEM-focused job opportunities, bolstering the workforce through employer led engagement.

- Coordinate with regional entrepreneurs, innovators, and organizations to assess and predict current and future workforce needs and jointly generate solutions with work-based programs;
- Develop and connect talent to highly technical opportunities that foster professional development and grow the technical and scientific workforce through advanced skills training;
- Offer wraparound services to allow workers to participate in training;
- Strengthen engagement between entrepreneurs, industry and corporations, educational organizations, economic and workforce development organizations, and the public sector to connect skilled workers to workforce pipelines for the innovation economy; and
- Fill immediate job openings in need of STEM talent, including individuals from underserved populations.
Examples of desired outcomes could include provision of relevant STEM workforce training; expanding capacity for regional development; and bolstering diversity, equity, and inclusion in STEM. Applications should utilize existing regional strengths and avoid duplication of ongoing efforts.

**Eligibility:** Institutions of higher education, public-private partnerships, science or research parks, States, Indian tribes, cities or other political subdivisions of a state, nonprofits, institutions of higher education, federal laboratories, economic development organizations, and consortia of the previously mentioned, are all eligible to apply.

**Total Funding and Award Size:** EDA will allocate $4.5 million for grants, $2.5 million above the last competition, and will fund awards at up to $500,000 per individual award for a 24-month workforce program.

**Cost-Sharing:** At the time of submission, applicants must demonstrate a matching cost-share from a non-federal source equal to at least 50 percent of the total project cost. In-kind contributions may be used for the required matching share.

**Dates:** Applications are due at 11:59 PM EST on June 12, 2023.

**Sources and Additional Information:**
- The full announcement is available at https://www.eda.gov/sites/default/files/2023-04/FY%202023%20STEM%20Talent%20Challenge%20NOFO.pdf.

### Funding Opportunity: NIH Launches DEIA Prize Competition

The National Institutes of Health (NIH) recently announced the launch of the Institutional Excellence in Diversity, Equity, Inclusion, and Accessibility (DEIA) Prize Competition. This opportunity is administered by The Chief Officer for Scientific Workforce Diversity (COSWD) in collaboration with the NIH UNITE Initiative, which was established in 2021 to promote diversity, equity, inclusion, and accessibility (DEIA) and end any existing structural racism across the broader biomedical research enterprise. The prize aims to reward and recognize institutions that through initiatives have addressed DEIA gaps and identified practices that can be feasibly adopted by other research institutions to improve DEIA within the biomedical research workforce. Entries submitted may include policies, evidence-based programs, tools, and/or activities having been implemented to address identified barriers aimed to enhanced DEIA outcomes within the faculty, postdoctoral scholars, and student bodies of the institution.

**Award Information:** NIH intends to commit $1,000,000 to 10 institutions with each award being $100,000. Five of the ten prizes will be reserved for the consideration of limited-resourced institutions (LRIs). Additional entries may be recognized as honorable mentions with non-monetary awards.

To participate, registration is required by September 12, 2023, at 5p.m. ET. Eligible institutions will have until September 26, 2023, to submit an entry and prize winners will be announced in December 2023. Additionally,
NIH will be hosting a webinar on **May 17, 2023**, to address questions about the Prize Competition. [Registration](#) is now open for that webinar.

Additional questions can be answered by reaching out to [questions@NIHdeiaprize.org](mailto:questions@NIHdeiaprize.org).

[back to the top]

**Engagement Opportunity: NIH Issues RFI on Food is Medicine Research Opportunities**

The National Institutes of Health (NIH) has released a [request for information](#) (RFI) seeking comments on Food is Medicine research programs, citing the recent [White House National Strategy on Hunger, Nutrition, and Health](#) as one of the drivers of a government-wide approach to improve nutrition security and health outcomes. Other agencies involved in Food is Medicine initiatives, including the Centers for Medicare and Medicaid Services (CMS), Health Resources and Services Administration (HRSA), Agency for Healthcare Research and Quality (AHRQ), Department of Veterans Affairs (VA), U.S. Department of Agriculture (USDA) and Food and Drug Administration (FDA), are also receiving input from this RFI to inform their own research and healthcare programs.

The RFI is soliciting input specifically pertaining to research, including on research barriers and gaps, necessary technologies and models, and barriers to implementation; provision of services and activities, including staff and resource needs, addressing nutrition disparities, and leveraging food and nutrition assistance programs; community outreach and engagement, including how to effectively collaborate with community-based organizations, integrate cultural foods in assistance programs, and support local agriculture; education and training, including training needed for healthcare providers, community health workers, Cooperative Extension professionals, and other program staff; and coverage for services, including innovative financing models and reimbursement methods to scale Food is Medicine programs.

Responses must be submitted to [https://rfi.grants.nih.gov/?s=6418bcd5d23bfe80540f6582](https://rfi.grants.nih.gov/?s=6418bcd5d23bfe80540f6582) by **June 30, 2023**.

[back to the top]