

Bi-monthly Publication

Healthcare Cases To Watch In Trump's Second Term

When Republican President-elect Donald Trump takes office for the second time next year, he will inherit a slew of lawsuits challenging the Biden administration's healthcare policies. The cases will give him an immediate opportunity to change course, before any new rules or legislation are passed, and could offer an early look at his administration's approach. Here are some of the cases to watch.

ABORTION

Many of the most closely watched lawsuits have centered on abortion rights in the wake of the U.S. Supreme Court's 2022 ruling allowing states to ban abortion. Trump shied away from offering specific policies on abortion during his campaign, but his administration will need to take positions in several pending cases.

In one case, three Republican-led states are seeking to restrict the distribution of the abortion pill mifepristone. The U.S. Food and Drug Administration under Biden has defended loosening restrictions on the drug in recent years but could reverse course under Trump.

Another case involves abortions in medical emergencies. The Biden administration sued Idaho in 2022, alleging that the state's near-total abortion ban runs afoul of the federal Emergency Medical Treatment and Labor Act, which requires hospitals to stabilize patients in medical emergencies, by potentially preventing medically necessary abortions.

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HAPPY NEW YEAR 2025



NABIP-TX ANNUAL CONFERENCE 2025

Set your Sails on **NABIP-TX**

MOODY GARDENS • GALVESTON, TX
April 8 - 9, 2025

The graphic features a blue background with a white sailboat on the left and a compass rose on the right. The text "Set your Sails on NABIP-TX" is written in a stylized, white font. A thick rope is visible at the bottom of the graphic.

Inside This Edition

Telehealth Services Expired	2
Medicare Drug Cap	2
Peering Into 2025	3
12 Key Lawsuits 2024	6
New Laws 2025	6
Physicians Embrace Cash	7

Telehealth Services Safe Harbor for High-Deductible Health Plans Expired December 31, 2024

On December 21, 2024, President Biden signed into law the American Relief Act, 2025 (2025 Relief Act), which funds the federal government through March 14, 2025, and provides certain disaster relief provisions and other economic assistance. However, many important health-related provisions that may impact health plans were stripped from the 2025 Relief Act at the last minute.

Most notably, the 2025 Relief Act did not extend the popular telehealth safe harbor born out of the CARES Act, which permitted high-deductible health plan (HDHP) sponsors to reimburse telehealth and remote care services on a pre-deductible or first dollar coverage basis to participants with a health savings account (HSA). Although the telehealth safe harbor was extended previously, that extension expires on December 31, 2024. This means that for plan years beginning January 1, 2025, participants in HDHPs will not be eligible to make or receive contributions to their HSA if they can receive free telehealth services or receive telehealth services for less than fair market value for non-preventive services before meeting the HDHP deductible. While the telehealth extension had bipartisan support, it is not clear when or whether Congress may act to resurrect the extension, including whether provisions would be retroactive if enacted. Given this uncertainty and the expiration of the safe harbor at the end of 2024, plan sponsors must quickly determine next steps and communicate those steps to participants.

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MEDICARE

Medicare \$2,000 Prescription Drug Cap Started Jan. 1

Medicare's \$2,000 prescription drug cap will take effect at the start of the new year.

Why it matters: The yearly limit on out-of-pocket payments, under the Inflation Reduction Act, is expected to lower millions of seniors' medical costs. It will have a particularly significant impact for patients taking expensive drugs to treat cancer and other serious conditions.

By the numbers: Overall, 3.2 million Americans are expected to save money on prescription medications in 2025, increasing to 4.1 million by 2029, per AARP projections.

Those figures vary by state. In Texas, 9% of beneficiaries are expected to hit the cap in 2025. That figure is as high as 18% in Alaska, per AARP. Nearly half of the Medicare enrollees expected to benefit from the spending limit are between 75 and 84 years old.

About 1.5 million Medicare beneficiaries spent more than \$2,000 on prescriptions in 2021, per KFF. Around 5 million exceeded \$2,000 during at least one year between 2012-2021.

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Peering Into 2025: Will Next Year Be AI's Huge Breakthrough Year?

The evidence on 2024 is already in: this year has been an important one for the forward evolution of artificial intelligence (AI). Throughout this year, we've reported on important breakthroughs in the application of AI based on the testing of algorithms (sometimes called "traditional" AI, though for obvious reasons, that tag doesn't really fit), and generative AI, across U.S. healthcare. What's clear is that AI is advancing in every area, from non-clinical applications to clinical decision support and process management, to actual diagnostics.

Here are just a few of the developments we've covered this year:

- As Senior Contributing Editor David Rath reported in November, "The Mount Sinai Health System has opened a center that will combine artificial intelligence with data science and genomics in a location at the center of the campus of the Mount Sinai Hospital in Manhattan. The health system said the Hamilton and Amabel James Center for Artificial Intelligence and Human Health is dedicated to enhancing healthcare delivery through the research, development, and application of innovative AI tools and technologies. The 12-story, 65,000-square-foot facility will initially house approximately 40 principal investigators, alongside 250 graduate students, postdoctoral fellows, computer scientists, and support staff."

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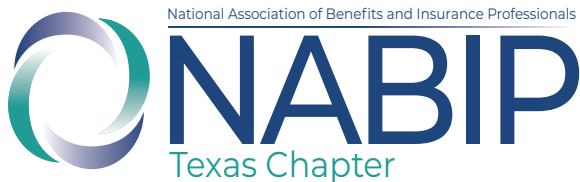


THURSDAY, JANUARY 23, 2025

7 AM - 1 PM

Texas State Capitol Building

1100 Congress Avenue, Austin, TX



2025 NABIP-TX DAY AT THE CAPITOL SPONSORSHIP OPPORTUNITIES

Thursday, January 23, 2025 • 7 am – 1 pm | Followed by Lobbying at the Capitol • 1 – 5 pm

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TENTATIVE AGENDA (subject to change)

WEDNESDAY, JANUARY 22

Scholz Garten
1607 San Jacinto Blvd, Austin, TX 78701

4:30 - 6:30 pm NABIP-TXPAC Happy Hour
Hosted by NABIP-TX Austin Chapter
Member: \$35
Non-Member: \$50

THURSDAY, JANUARY 23

Texas State Capitol
1100 Congress Avenue, Austin, TX

7 - 8:30 am Registration and Breakfast
7:30 - 8:15 am Agency Roundtable Discussion:
By Invitation Only
8:30 am - 1 pm Speakers, Lunch and Networking Time
1 - 5 pm Lobbying with Legislators at the Capitol

Hotel rooms have been blocked for **\$169/night** at the **Hampton Inn** with **\$20** overnight parking.
1701 Lavaca Street, Austin, TX

To book your room, [CLICK HERE](#) or call **(512) 861-1140** and mention **NABIP-TX Day at the Capitol**.
Hotel room rate expires January 7, 2025.

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12 Key Insurance Industry Lawsuits In 2024

From antitrust challenges from the federal government over proposed acquisitions, to industrywide disputes over Medicare Advantage star ratings, these are 12 key insurance industry lawsuits filed or settled in 2024:

1. UnitedHealthcare vs. CMS

In November, UnitedHealthcare prevailed in its lawsuit against CMS regarding the methodology used to calculate its 2025 Medicare Advantage star ratings. Humana, Centene, Elevance Health, and BCBS Louisiana have all raised legal challenges about the methodology CMS employed for the 2025 ratings. Some of these challenges have centered on the agency's use of "secret shopper" phone calls to assess customer service metrics. Earlier in 2024, SCAN Health Plan and Elevance Health won similar lawsuits against CMS. SCAN's lawsuit prompted CMS to recalculate star ratings for all MA plans, resulting in over \$1 billion in additional payments to health plans nationwide.

2. BCBS Minnesota vs. Labor Department

A federal judge ruled in August that Blue Cross and Blue Shield of Minnesota must face a lawsuit from the U.S. Labor Department accusing the payer of incorrectly imposing a state provider tax on self-funded health plan customers and violating its fiduciary duties under ERISA.

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New Laws Effective January 1st, 2025

Vehicle Safety Inspections Reports No Longer Required
House Bill 3297 eliminates requirements for annual inspections during the vehicle registration process for non-commercial drivers. The Dept. of Public Safety posted a reminder about the upcoming changes.

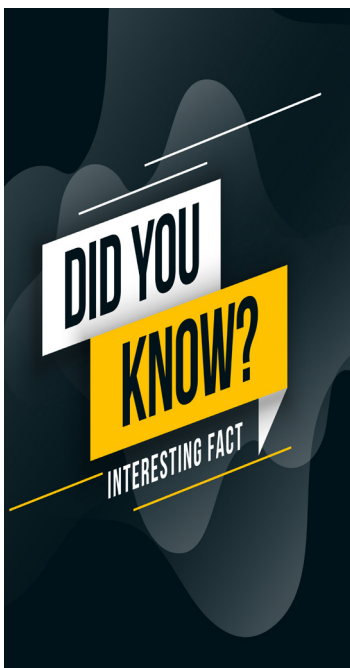
Note that emissions testing may still be required by local ordinances for vehicles in densely populated counties like Travis, Harris, and Dallas County. Be sure to check your county's website to see if this remains a requirement in your area.

Property Tax Relief Act

Senate Bill 2 from the 2nd Called Session is referred to as the Property Tax Relief Act. Read the bill summary to learn how this law affects property taxes in Texas.

Many sections in Senate Bill 2 have already gone into effect, but Article 4 takes effect on January 1st. This part of the bill provides "circuit breaker" limitations on increases to the appraised value of real property not covered by a homestead exemption.

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Physicians Embrace Cash-based Payment Models

Amid shrinking reimbursement rates and growing frustrations with administrative burdens, more physicians are turning to cash-only or direct primary care models.

“We’re seeing a huge evolution of cash-based models because it’s a more predictable revenue stream that can be quite lucrative,” Sam Patel, MD, founder of medical consulting firm Astra Culture, told Medscape in a Dec. 23 report.

There is little data to offer firm estimates on the prevalence of direct pay models, though a Medscape survey from 2020 suggests they are used by less than 20% of clinicians.

In these arrangements, patients typically pay an annual or monthly fee for access to a set menu of care services. This differs from concierge medicine, where practices still bill insurers for certain services and use the membership fees to enhance access and convenience.

Medical school debt, burdensome paperwork and declining reimbursement are the primary factors driving more physicians to consider cash-based models, according to the report. The option can be appealing for patients frustrated with long wait times to secure an appointment.

“Patients want direct access to care, and they want price transparency,” Dr. Patel said. “For some, paying a doctor \$300 for an appointment – and being able to secure one within a day – is well worth it.”

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