



Health Policy Briefing

October 31, 2016

Coalition Calls for 21st Century Cures Delay

A coalition of thirteen liberal groups is calling for passage of the 21st Century Cures legislation to be delayed until next year in order to attach solutions to decrease the cost of prescription drugs. The Center for American Progress, AFL-CIO, Alliance for Retired Americans, American Federation of State, County and Municipal Employees, American Federation of Teachers, Center for Medicare Advocacy, Inc., Consumers Union, Doctors for America, National Committee to Preserve Social Security and Medicare, Public Citizen, Service Employees International Union, Social Security Works, and Unite HERE Health **wrote** to Democratic leadership in both the House and the Senate urging them to work to improve the legislation in the next session of Congress. “Moving forward with this legislation now would be a missed opportunity to address unaffordable prescription drug prices,” the groups write. “There is no justification for moving forward with legislation that provides substantial benefits to the drug industry without asking for something in return.” In response to the letter, a spokesperson for Democrats on the House Energy and Commerce Committee said they are continuing to work with their Republican and Senate colleagues to proceed on the legislation, but that the bill “must include policies that facilitate access to affordable drugs and do not exacerbate rising drug prices in this country while also allowing for innovation to help treat diseases.” The spokesperson said that the final bill must also include funding for priorities like the Cancer Moonshot. Congressional leadership has committed to passing the medical innovations bill during the lame-duck session, but it is unclear whether such provisions would gain any Republican support. Energy and Commerce Committee Chairman Fred Upton (R-Mich.) issued a **press release** reminding everyone that more than 700 groups encompassing patient advocacy groups, rare disease groups, cancer centers, technology groups, top universities, biopharmaceutical companies, medical device companies, and others from across the country rallied in support of the bill when it passed the House last year.

***Exchange Plan
Premiums See
Average Rise of 25
Percent***

The cost of the most popular plan on the Affordable Care Act (ACA) exchanges will rise by an average of 25 percent, according to data released by the Administration last

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week. This increase is more than triple the jump in premiums seen last year, and the largest price hike yet experienced since the launch of HealthCare.gov. The 16 percent of the 1.3 million people who purchase health insurance through the federal marketplace but do not currently receive subsidies will be subject to the increase. Approximately 260,000 people, however, could become newly eligible for subsidies, which will also increase given the rising premiums. Generally, more rural areas like Arizona will see a steeper price increase, while some states like Indiana will actually see a decline in premium prices. The Administration stressed that most people will experience below average premium increases, given the median premium increase of 16 percent across plans. Additionally, plans costing \$75 or less per month will still be available to seven out of 10 people. The fourth open enrollment season will begin on November 1.

Senate Finance Unveils Chronic Care Legislation

Members of the Senate Finance Committee have released a draft bill aimed at improving quality and lessening the cost of Medicare treatment for chronic conditions. The Chronic Care Act was released last week by Chairman Orrin Hatch (R-Utah), Ranking Member Ron Wyden (D-Ore.), Sen. Mark Warner (D-Va.) and Sen. Johnny Isakson (R-Ga.), and is a product of the Committee's bipartisan Chronic Care Working Group (CCWG). It would expand the use of home-based health care and telemedicine for seniors with diseases like diabetes and heart disease. In order to make care for chronic conditions more coordinated and cost efficient, the bill would extend the Independence at Home demonstration for an additional two years, through September 2019. The draft bill would also allow for broader enrollment of people suffering kidney failure in Medicare Advantage (MA), and allow these plans to offer supplemental benefits, including telehealth services, targeted at chronic conditions. It is possible that the legislation could get a vote on the Senate floor during the lame-duck session once the final bill is formally introduced after the elections. The Congressional Budget Office (CBO) has yet to determine how much the bill would cost, and lawmakers have provided no details on how it would be offset. Following release of the draft bill, members of the Finance Committee **wrote** to the U.S. Department of Health and Human Services (HHS) Secretary Sylvia Burwell and Acting Administrator of the Centers for Medicare and Medicaid Services (CMS) Andy Slavitt commending the administration for proposing to increase payment for chronic care management services in the 2017 physician fee schedule, and for adding a payment code to cover care planning for cognitive impairment diagnoses like Alzheimer's disease. They urged the agency to explore whether there are other serious conditions, like cancer or neuromuscular diseases, for which an assessment and care planning code would benefit Medicare enrollees.

Health Care and the 2016 Presidential Election

The 2016 presidential election features two candidates with starkly different views on the future of the American health care system. A Hillary Clinton administration would continue many of the health care policies instituted by the Affordable Care Act (ACA). While Clinton has acknowledged that certain reforms to the law are necessary, she would leave President Obama's landmark health care law, as well as all existing major health care programs, in place. She has proposed repeal of the "Cadillac Tax," as well as the creation of a new government-sponsored insurance plan to compete in the marketplace. She would allow people to buy into Medicare starting at age 55, and work to expand Medicaid in the 19 states that have yet to do so. In order to address spending on private insurance, Clinton has proposed a tax credit for households facing "excessive" out-of-pocket costs. She would also require insurers to cover three doctor visits before patients meet their deductible. Donald Trump has vowed to repeal the ACA, and replace it with a tax deduction for health insurance premiums while allowing insurers to sell policies across state lines. He would also limit federal support for Medicaid, converting it into a block grant program. Trump is supportive of increased price transparency to help patients shop around. He would also expand the use of tax advantaged health savings accounts (HSAs) paired with high deductible health plans. The price of prescription drugs has been a major talking point among lawmakers this election, and Clinton has a detailed plan for curbing drug costs. She proposes the creation of a board with the ability to penalize drug companies for unjustified price increases, and a monthly limit on patient's copayment for drugs. Clinton would decrease biologics' protection from generic competition from 12 years to seven years, and require manufacturers to provide rebates for drugs used by Medicare enrollees. She has also said that she would authorize Medicare to negotiate drug prices with pharmaceutical manufacturers, and supports the re-importation of prescription drugs. Trump's position on prescription drug prices has changed over time, but he is also on the record in support of allowing drug importation. He has also called on policymakers to help increase competition in the market from lower-price, equally effective medications.