



Health Policy Briefing

December 7, 2015

Senate Passes Reconciliation Legislation

On Thursday, the Senate approved legislation through the fast-track budget tool known as reconciliation to repeal much of the Affordable Care Act (ACA). The bill passed by a vote of 52-47. Reconciliation prevented a filibuster and allowed for passage of the legislation by a simple majority. Approval of the bill was a symbolic message from Republicans, who have vowed to force a presidential veto of repeal of the 2010 health care law since the becoming the majority party. Previously, Democrats had never allowed for a stand-alone vote on ACA repeal when they were in control of the Senate. The measure would effectively repeal the individual and employer mandates, Medicaid expansion, and the authority for the federal government to run health insurance exchanges and provide subsidies for plans purchased through the marketplace. In addition to eliminating a number of the law's taxes, the reconciliation bill also cuts funding for the Prevention and Public Health fund and eliminates risk adjustment programs. The measure also defunds Planned Parenthood, a provision that caused moderate Republican members Susan Collins (R-Maine) and Mark Kirk (R-Ill.) to join a united Democratic caucus in voting against the package. Sen. Bernie Sanders (I-Vt.) was the only senator who did not vote. Sen. Dean Heller (R-Nev.) offered an amendment to repeal the Cadillac tax, which was overwhelmingly supported by a bipartisan vote of 90-10. Seven Democrats and three Republicans voted against the amendment. The Senate version of the bill expanded upon the House passed-measure in response to several conservative Senators who believed the House bill did not go far enough to repeal the ACA in its entirety. The amended legislation will now be subject to approval by the House before being sent to the White House. While President Obama will veto the legislation, this will be the first time such a repeal bill succeeds in reaching his desk. According to the Congressional Budget Office (CBO), the reconciliation bill would reduce the deficit by \$295.6 billion over the next decade.

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USPSTF Makes Skin Cancer Screening Recommendations

The U.S. Preventive Services Task Force (USPSTF) has issued a draft update of its 2009 recommendation on skin cancer screening. The USPSTF reaffirms its 2009 findings that the evidence for routine visual skin cancer exams for people who do not show signs of the disease is not strong enough to recommend the practice. It is proposed that the routine skin examinations receive an “I” grade, meaning that the evidence is insufficient and that the relative benefits and risks of the process cannot be determined. USPSTF calls for further study of skin cancer exams, and will accept comments on its draft through December 28.

Wyden, Grassley Release Report on Drug Pricing

Sen. Ron Wyden (D-Ore.) and Sen. Chuck Grassley (R-Iowa) have released a **report** on their investigation into the pricing decision-making by Gilead Sciences, Inc., the manufacturer of the Hepatitis C drug Sovaldi. Sovaldi and its successor Harvoni have drawn widespread attention due to its price of \$84,000 for a 12-week treatment. The report is the result of an 18-month long investigation, which found that Gilead priced Sovaldi solely upon maximizing revenue, without consideration for recouping research and development (R&D) costs. “Gilead pursued a calculated scheme for pricing and marketing its Hepatitis C drug based on one primary goal, maximizing revenue, regardless of the human consequences. There was no concrete evidence in emails, meeting minutes or presentations that basic financial matters such as R&D costs...factored into how Gilead set the price,” Senator Wyden said during a press conference on the findings of the investigation. The report outlines how Gilead justified Sovaldi’s high price point based on the price per cure, and with an eye for ensuring a future high price for Harvoni. The report emphasizes that even after underestimating the degree to which the drug’s price would result in access restrictions, Gilead refused to lower the price, and the resulting burden on the Medicare and Medicaid programs was substantial. The report does acknowledge that subsequent entry of competition into the marketplace resulted in lower prices for therapies, but concerns still remain about the high costs for treating people infected with Hepatitis C. Sen. Susan Collins (R-Maine) has also opened an investigation into price hikes by two drug companies.

Democrats Hold Hearing on Prescription Drug Pricing

The House Democratic Steering and Policy Committee held a special hearing last week on the price of prescription drugs. Sixteen lawmakers attended the hearing, including House Minority Leader Nancy Pelosi (D-Calif.) and Ranking Member of the Energy and Commerce Committee Frank Pallone Jr. (D-N.J.). The hearing was largely meant as a symbolic gesture to encourage their Republican colleagues to address the issue of drug prices. Witnesses discussed various aspects of the pharmaceutical industry, including research costs and market exclusivity. While no specific legislative action was advocated for, some members called on the White House to use its executive authority to make an impact on rising pharmaceutical prices. This week, the Senate Special Committee on Aging will also hold a hearing on the subject.

CMS Releases Report on Health Spending Growth Rate

The actuaries at the Centers for Medicare and Medicaid Services (CMS) have released their annual **report** highlighting the rate of growth of health care spending in the United States. Last year, health spending rose to more than \$3 trillion, a 5.3 percent increase over the previous year and the largest increase since 2007. Medicaid spending increased at a rate of 11 percent, twice the growth rate of the previous year. Spending on private health insurance also increased by 4.4 percent. Additionally, total spending on prescription medication increased by 12.2 percent. Officials attribute the across the board growth to the rising cost of prescription drugs and an increasing number of individuals entering the insurance marketplaces. The number of uninsured declined by 20 percent, while beneficiary out of pocket spending remained relatively flat.

Upcoming Congressional Meetings and Hearings

House Veterans' Affairs Subcommittee on Health hearing titled: "Legislative Hearing on: H.R. 3262; H.R. 3484; H.R. 4056; a draft bill to amend the Veterans' Benefits Programs Improvement Act of 1991 to authorize VA to sell Pershing Hall; and, VA's legislative proposal regarding fiscal year 2016 construction projects;" 10:00 a.m.; 334 Cannon Bldg.; December 8

Senate Health, Education, Labor and Pensions Committee hearing titled: "Opioid Abuse in America: Facing the Epidemic and Examining Solutions;" 10:00 a.m., 430 Dirksen Bldg.; December 8

House Energy and Commerce Oversight and Investigations Subcommittee hearing titled: "An Overdue Checkup Part II: Examining the ACA's State Insurance Marketplaces;" 10:00 a.m., 2322 Rayburn Bldg.; December 8

House Foreign Affairs Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations hearing titled: "Drug Resistant Tuberculosis: The Next Global Health Crisis?" 2:00 p.m., 2200 Rayburn Bldg.; December 8

House Energy and Commerce Health Subcommittee hearing titled: "Examining Legislation to Improve Health Care and Treatment;" the bills to be discussed are H.R. 921, the Sports Medicine Licensure Clarity Act of 2015; H.R. 1209, the Improving Access to Maternity Care Act; H.R. 2713, the Title VIII Nursing Workforce Reauthorization Act; H.R. 3441, the Accurate Education for Prenatal Screenings Act; H.R. 4152, the Cardiac Arrest Survival Act; H.R. 4153, the Educating to Prevent Eating Disorders Act of 2015; 10:00 a.m., 2123 Rayburn Bldg.; December 9

House Veterans' Affairs Committee hearing titled: "Fact Check: An End of Year Review of Accountability at the Department of Veterans Affairs;" 10:30 a.m.; 334 Cannon Bldg.; December 9

Senate Special Aging Committee hearing titled: "Sudden Price Spikes in Off-Patent Drugs: Perspectives from the Front Lines;" 2:30 p.m., G-50 Dirksen Bldg.; December 9

Health Legislation Recently Introduced

H.R.4134 (introduced by Rep. Peter A. DeFazio): A bill to require the Secretary of Veterans Affairs to carry out a program to increase efficiency in the recruitment and hiring by the Department of Veterans Affairs of health care workers that are undergoing separation from the Armed Forces, to create uniform credentialing standards for certain health care professionals of the Department, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned; November 30

S.2334 (introduced by Sen. Bill Cassidy): A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to adopt and implement a standard identification protocol for use in the tracking and procurement of biological implants by the Department of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs; December 1

H.R.4148 (introduced by Rep. Carolyn B. Maloney): A bill to authorize assistance to aid in the prevention and treatment of obstetric fistula in foreign countries, and for other purposes; to the House Committee on Foreign Affairs; December 1

H.R.4150 (introduced by Rep. Raul Ruiz): A bill to amend title 38, United States Code, to allow the Secretary of Veterans Affairs to modify the hours of employment of physicians and physician assistants employed on a full-time basis by the Department of Veterans Affairs; to the House Committee on Veterans' Affairs; December 1

S.2338 (introduced by Sen. Mazie Hirono): A bill to award grants to States for the development of innovative long-term services and supports programs; to the Committee on Health, Education, Labor, and Pensions; December 1

H.R.4152 (introduced by Rep. Pete Olson): A bill to amend the Public Health Service Act to clarify liability protections regarding emergency use of automated external defibrillators; to the House Committee on Energy and Commerce; December 2

H.R.4155 (introduced by Rep. Diane Black): A bill to require the Center for Medicare and Medicaid Innovation to test the effect of including telehealth services in Medicare health care delivery reform models; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned; December 2

H.R.4163 (introduced by Rep. Pedro R. Pierluisi): A bill to amend titles XVIII and XIX of the Social Security Act to make premium and cost-sharing subsidies available to low-income Medicare part D beneficiaries who reside in Puerto Rico or another territory of the United States; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned; December 2

S.2342 (introduced by Sen. Bill Nelson): A bill to amend titles XVIII and XIX of the Social Security Act to make premium and cost-sharing subsidies available to low-income Medicare part D beneficiaries who reside in Puerto Rico or another territory of the United States; to the Committee on Finance; December 2

S.2343 (introduced by Sen. Cory Gardner): A bill to require the Center for Medicare and Medicaid Innovation to test the effect of including telehealth services in Medicare health care delivery reform models; to the Committee on Finance; December 2

H.R.4183 (introduced by Rep. Thomas J. Rooney): A bill to increase the penalties for fentanyl trafficking; to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned; December 3

H.RES.552 (introduced by Rep. Donald M. Payne, Jr.): A resolution expressing support for health and wellness coaches and “National Health and Wellness Coach Recognition Week”; to the House Committee on Energy and Commerce; December 3

S.2349 (introduced by Sen. Dean Heller): A bill to amend title XVIII of the Social Security Act to require the annual reporting of data on enrollment in Medicare Advantage plans; to the Committee on Finance; December 3

S.2351 (introduced by Sen. Johnny Isakson): A bill to amend title XVIII of the Social Security Act to extend the annual comment period for payment rates under Medicare Advantage; to the Committee on Finance; December 3