



Health Policy Briefing

December 19, 2016

Part B Demonstration Dropped

The Centers for Medicare and Medicaid Services (CMS) has decided not to pursue the proposed Medicare Part B drug payment model demonstration. The model, aimed at reducing the rising cost of prescription drugs, was opposed by many stakeholders for its nationwide-scope and potential to disrupt patient access to care. The demonstration also drew resistance from both Republican and Democratic lawmakers, and the decision not to finalize the proposed rule was praised by House Minority Leader Nancy Pelosi (D-Calif.). “While there was a great deal of support from some, a number of stakeholders expressed strong concerns about the Model,” a spokesperson for CMS said. “While CMS was working to address these concerns, the complexity of the issues and the limited time available led to the decision not to finalize the rule at this time.”

CMS Data Officer to Depart in Advance of New Administration

Niall Brennan announced that he would be leaving his position as Chief Data Officer of the Centers for Medicare and Medicaid Services (CMS) in January. He has held the position, which reports directly to CMS Acting Administrator Andy Slavitt, since November 2014. During his time at CMS, Brennan headed CMS’ open data initiative, which saw the release of agency data sets for the purpose of comparing physician performance, Part D prescriptions, and fee-for-service payments. He also worked on issues related to HealthCare.gov. Brennan hopes that the new administration will continue to be transparent in the annual release of updated CMS data. Brennan’s deputy Chris Cox, formerly of the National Center for Health Statistics (NCHS), will assume the position of acting chief data officer and acting head of the Office of Enterprise Data and Analytics.

Inside

- [Drug Pricing Report Sent to Congress.....2](#)
- [HHS Releases Report on Patient Safety Efforts.....2](#)
- [McCConnell: ACA Repeal, and then Replace.....2](#)
- [Republicans Seek Comments from Governors on Medicaid.....3](#)
- [New Zika Data Research Released.....3](#)
- [Trump Administration Staff Announcements.....3](#)
- [Appendix: Trump Administration Key Policy Personnel.....4](#)

Drug Pricing Report Sent to Congress

The U.S. Department of Health and Human Services (HHS) has sent a **report** to Congress on prescription drug spending. The report was requested by Rep. Marcy Kaptur (D-Ohio) in the 2015 spending bill, and was supposed to compare net prices paid by the federal government for the most expensive drugs and the most frequently prescribed drugs across Medicare Parts B and D, the Medicaid program, and the Department of Veterans Affairs. Instead, the report provides general information about drug spending across each program and the gross price of certain prescriptions. The report was due more than six months ago. It has been criticized by Rep. Lloyd Doggett (D-Texas), Co-Chair of the House Democratic Caucus Prescription Drug Task Force, for not including details about the net costs of drugs across government health care programs, and for its inclusion of studies funded by the pharmaceutical industry. The report does, however, detail total annual prescription drug costs, and information about patient satisfaction and access to prescription drugs. It also analyzes the costs of bringing new drugs to market.

HHS Releases Report on Patient Safety Efforts

The U.S. Department of Health and Human Services has released a report detailing patient safety improvements nationwide. According to the **report**, hospital-acquired conditions have dropped 21 percent since 2010. This translates to 125,000 fewer patient deaths and cost savings of \$28 billion. Hospital-acquired conditions are developed when a patient is in the hospital being treated for something else. They include conditions such as adverse drug events, catheter-associated urinary tract infections, central line associated bloodstream infections, pressure ulcers and surgical site infections. The National Scorecard on Rates of Hospital-Acquired Conditions is compiled annually by the Agency for Healthcare Research and Quality (AHRQ).

McConnell: ACA Repeal, and then Replace

Senate Majority Leader Mitch McConnell (R-Ky.) said that Republicans plan to repeal the Affordable Care Act (ACA) through reconciliation early next year, before a replacement system is implemented. He also stated that repeal would include a transition period so as not to disrupt marketplace enrollees' health coverage, but did not specify the length of time GOP lawmakers are considering for the transition. Ways and Means Committee Chairman Kevin Brady (R-Texas) convened the GOP members of his committee last week for a two-day policy discussion on tax and health care in the 115th Congress. He explained that lawmakers hope to be ready with an ACA replacement plan early in the year. Brady also said that his committee plans to be ready with a tax reform policy that could be moved quickly in the next Congress through reconciliation instructions in the fiscal year (FY) 2018 budget resolution.

Republicans Seek Comments from Governors on Medicaid

Republican members of the Senate Finance Committee have written to Republican governors requesting input on future changes to the Medicaid program. The **letter** was sent in preparation for repeal of the Affordable Care Act (ACA). The 2010 health care law allowed states to expand their health care program for low-income Americans. "We are acutely aware that in dismantling the ACA we have a responsibility for ensuring that Medicaid continues to provide quality care for our nation's most vulnerable citizens," the lawmakers write. They explain that they will convene a roundtable of governors in January 2017 to start a dialog about the future of the Medicaid program, and outline questions for the governors to consider prior to the meeting. They are interested in learning about how to provide states with flexibility to innovate and operate their Medicaid programs in a fiscally responsible way, and how to foster a more valuable partnership between states and the federal government. They also ask about addressing the needs of those who obtained Medicaid coverage through the ACA, and what changes should be considered as part of an ACA replacement plan.

New Zika Data Research Released

According to new research published in the Journal of the American Medical Association (JAMA), six percent of U.S. pregnancies with Zika infection were linked to birth defects. Of the 442 completed pregnancies reviewed, 26 fetuses and infants had birth defects, such as severe brain damage, linked to the Zika virus. The study is the first estimate of the number of children affected by Zika born to mothers infected with the virus. The latest data from the Centers for Disease Control and Prevention (CDC) puts the total of Zika-infected pregnant women in the United States and its territories at 3,800. Because the virus is asymptomatic in many adults, this number may actually be much higher. The CDC has also released new findings, which show that Zika may continue to worsen after birth in the fetal brain and can also persist in the mother's placenta.

Trump Administration Staff Announcements

Last week, President-elect Donald Trump announced his choices for Secretary of the Department of Energy, Secretary of State, Director of the National Economic Council, Secretary of the Department of Homeland Security, Secretary of the Interior, and Director of the Office of Management and Budget. More information about Trump's selections can be found in Hart Health Strategies' updated Trump Administration Key Policy Personnel document.

Trump Administration

Key Policy Personnel

Updated: December 18, 2016

Positions NOT subject to Senate confirmation in italics

White House Chief of Staff: Reince Priebus

Priebus is the former Chairman of the Republican National Committee (RNC). He previously worked as chairman of the Republican Party of Wisconsin. He has a long history in Republican politics as a grassroots volunteer. He worked his way up through the ranks of the Republican Party of Wisconsin as 1st Congressional District Chairman, State Party Treasurer, First Vice Chair, and eventually State Party Chairman. In 2009, he served as General Counsel to the RNC, a role in which he volunteered his time.

White House Chief Strategist and Senior Counselor: Stephen Bannon

Bannon worked as the campaign CEO for Trump's presidential campaign. He is the Executive Chairman of Breitbart News Network, LLC and the Chief Executive Officer of American Vantage Media Corporation and Affinity Media. Mr. Bannon is also a Partner of Societe Generale, a talent management company in the entertainment business. He has served as the Chief Executive Officer and President of Genius Products, Inc. since February 2005.

Attorney General: Senator Jeff Sessions (R-Ala.)

Sen. Sessions began his legal career as a practicing attorney in Russellville, Alabama, and then in Mobile. Following a two-year stint as Assistant United States Attorney for the Southern District of Alabama, Sessions was nominated by President Reagan in 1981 and confirmed by the Senate to serve as the United States Attorney for Alabama's Southern District, a position he held for 12 years. Sessions was elected Alabama Attorney General in 1995, serving as the state's chief legal officer until 1997, when he entered the United States Senate. Sessions currently sits on the Senate Committee on the Judiciary, the Committee on Armed Services, the Committee on the Budget, and the Committee on Environment and Public Works.

National Security Advisor: Michael Flynn

Flynn is a retired U.S. Army lieutenant general who last served as 18th Director of the Defense Intelligence Agency, from July 22, 2012 to August 7, 2014.

Director of the Central Intelligence Agency (CIA): Representative Mike Pompeo (R-Ks.)

Pompeo has been the U.S. Representative for Kansas's 4th congressional district since 2011. Rep. Pompeo currently serves on the House Energy and Commerce Committee.

Ambassador to the United Nations: Governor Nikki Haley (R)

South Carolina Governor Nikki Haley was asked to serve as Trump's next ambassador to the United Nations. Haley, the daughter of Indian immigrants, was elected as Governor in 2011. She is the youngest current governor in the United States. She previously served in the South Carolina House of Representatives.

Secretary of Education: Betsy DeVos

Betsy DeVos has been tapped for the position of Secretary of Education. DeVos is a Michigan Republican activist and philanthropist. She is the former chairwoman of the Michigan Republican Party, and is currently the chairman of The Windquest Group, a Michigan-based investment management company.

Secretary of Health and Human Service (HHS): Representative Tom Price (R-Ga.)

Congressman Tom Price was first elected to represent Georgia's 6th district in November 2004. Prior to going to Washington, Price served four terms in the Georgia State Senate – two as Minority Whip. In 2002, Price became the first Republican Senate Majority Leader in the history of Georgia. Price currently serves on the House Committee on Ways and Means. In the 114th Congress, Price was named Chair of the House Committee on the Budget. In previous Congresses, he has served as Chairman of the House Republican Policy Committee and Chairman of the Republican Study Committee. For nearly twenty years, Rep. Price worked in private practice as an orthopaedic surgeon. Before coming to Washington he returned to Emory University School of Medicine as an Assistant Professor and Medical Director of the Orthopedic Clinic at Grady Memorial Hospital in Atlanta, teaching resident doctors in training. He received his Bachelor and Doctor of Medicine degrees from the University of Michigan and completed his Orthopaedic Surgery residency at Emory University.

HHS is the U.S. government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. The mission of HHS is to enhance the health and well-being of Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services.

Administrator of the Centers for Medicare and Medicaid Services (CMS): Seema Verma

Seema Verma is the President, CEO and founder of SVC, Inc., a national health policy consulting company. Ms. Verma is the architect of the Healthy Indiana Plan (HIP), the nation's first consumer directed Medicaid program under Governor Mitch Daniels of Indiana and Governor Pence's HIP 2.0 waiver proposal. SVC and Ms. Verma have developed many of the recent Medicaid reform programs including waivers for Iowa, Ohio, Kentucky and helped design Tennessee's coverage expansion proposal and also provided technical assistance to Michigan as they implemented their 1115 Medicaid waiver. Ms. Verma and SVC also supported Iowa's Medicaid transition to managed care, as well as supporting efforts Medicaid strategy efforts in Maine. Ms. Verma served as the State of Indiana's health reform lead following the passage of the Affordable Care Act in 2010 and has worked with multiple public health agencies and state insurance agencies as they prepared for implementation of the Affordable Care Act, including interpreting and implementing regulatory changes and understanding the impact of the health exchanges on state insurance markets. Ms. Verma participated on the Republican Governor's Public Policy Committee on Medicaid reform and contributed to the development of the report "A New Medicaid: A Flexible, Innovation and Accountable Future." Prior to consulting, Ms. Verma served as Vice President of Planning for the Health & Hospital Corporation of Marion County and as a Director with the Association of State and Territorial Health Officials (ASTHO) in Washington D.C.

CMS is part of the Department of Health and Human Services, and is responsible for administering Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and the Health Insurance Marketplace.

United States Secretary of the Treasury: Steven Mnuchin

Mnuchin worked as the national finance chairman of Trump's presidential campaign. He is a former partner at Goldman Sachs, founded the hedge fund Dune Capital Management, and was an investor in the film industry.

The Treasury Secretary acts as an advisor on tax policy. Their Department is responsible for collecting taxes and enforcing tax law, which covers the formation of Health Savings Accounts (HSAs) and tax deductibility for health care expenses.

United States Secretary of Commerce: Wilbur Ross

Ross worked as an economic advisor to Trump during his campaign. Ross is chairman and chief strategist of the private equity firm W.L. Ross & Co. He is a former banker and investor in industrial business.

United States Secretary of Defense: General James Mattis

General James Mattis is a retired Marine general. Mattis has more recently worked as a national security fellow at the Hoover Institution. His appointment will require a waiver from Congress due to the seven-year buffer required of former military officers before they are allowed to head the Department of Defense.

United States Secretary of Housing and Urban Development: Ben Carson, MD

Dr. Carson is a retired surgeon who is known for being a pioneer in the field of neurosurgery. He worked as Director of Pediatric Neurosurgery at Johns Hopkins Hospital from 1984 until his retirement in 2013, making him the youngest chief of pediatric neurosurgery in the country at age 33. He has received more than 60 honorary doctorate degrees, dozens of national merit citations, and written over 100 neurosurgical publications. In 2008, he was bestowed the Presidential Medal of Freedom, the highest civilian award in the United States. Dr. Carson ran as a Republican in the 2016 presidential elections. He has never held public office.

Administrator of the Environmental Protection Agency: Scott Pruitt

Scott Pruitt is the Republican Attorney General of Oklahoma. Pruitt began his career in private practice in Tulsa, Oklahoma. He served as a state senator from 1998 through 2006, during which time he was selected to serve as Republican Whip and later Republican Assistant Floor Leader. He was elected to serve as Oklahoma's Attorney General in 2010.

Secretary of the Department of Energy: Rick Perry

Rick Perry is a Republican politician who served as the 47th Governor of Texas from 2000 to 2015. He was elected Lieutenant Governor of Texas in 1998, and assumed the governorship when then-Governor George W. Bush resigned to become president. Perry was the chairman of the Republican Governors Association in 2008 and again in 2011. He ran unsuccessfully for the Republican presidential nomination in 2012 and 2016.

Secretary of State: Rex Tillerson

Rex Tillerson is the chairman and CEO of Exxon Mobil Corporation. He joined the company in 1975 as a production engineer.

Director of the National Economic Council: Gary Cohn

Gary Cohn is an American investment banker. He is currently the president and chief operating officer of Goldman Sachs, where he has worked since 1990.

Secretary of the Department of Homeland Security: John Kelly

John Kelly is a retired Marine Corps general, and the former commander of the Unified Combatant Command responsible for American military operations in Central America, South America, and the Caribbean. He previously served as the commanding general of the Multi-National Force—West in Iraq from February 2008 to February 2009, and later as the commander of Marine Forces Reserve and Marine Forces North.

Secretary of the Interior: Representative Ryan Zinke (R-Mont.)

Congressman Ryan Zinke is the sole Representative of Montana in the United States House. Ryan is a fifth generation Montanan, former state senator and a 23-year U.S. Navy SEAL veteran. In 2014, Ryan became the first Navy SEAL elected to the House. He serves on the House Armed Services Committee and the House Committee on Natural Resources.

Director of the Office of Management and Budget: Representative Mick Mulvaney (R-S.C.)

Mick Mulvaney was elected in November 2010 as the Congressman for South Carolina's 5th District. He is a lifelong Carolinas resident. After practicing law following graduating law school, he started his own law firm. Later, he ran his family's real estate business then started a small homebuilding company. He has also owned and operated his own restaurant. He currently serves on the House Financial Services Committee as well as the House Oversight and Government Reform Committee.