



Health Policy Briefing

February 15, 2016

President Releases FY 2017 Budget Request

President Obama unveiled his \$4.1 trillion plan for fiscal year (FY) 2017 last week. It is the last budget request of his presidency and also his most costly. The budget request would replace sequestration with a combination of tax and spending changes the President has proposed in the past. Such changes include ending tax breaks for wealthy Americans, overhauling the immigration system, modifying payments to high-quality Medicare Advantage plans, modifying the Part B deductible, and instituting a copayment for certain home health services. These proposals would reduce the deficit by \$2.9 trillion over 10 years. The budget request adheres to the discretionary spending caps modified in the October 2015 budget deal, but does propose additional mandatory funding for initiatives like the cancer moonshot. The National Institutes of Health (NIH) and Food and Drug Administration (FDA) would receive a combined \$755 million in mandatory funding for this purpose. The budget would also direct \$1.5 billion in new mandatory funding to combat opioid and heroin abuse over two years, and \$500 million for new programs to help people with mental illness. The U.S. Department of Health and Human Services (HHS) would receive \$309 million to continue scaling up the Precision Medicine Initiative. An additional \$195 million would be set aside for the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative. The budget includes \$877 million, an increase of \$43 million over the previous fiscal year, to continue expanding the Nation's ability to fight antibiotic resistance. The budget request also would modify the Cadillac tax on high-cost, employer sponsored health care coverage, raising the threshold for triggering of the tax in areas where health care is more costly. Additionally, it again proposes to lower the target rate for triggering the Independent Payment Advisory Board (IPAB) beginning in 2018 from gross domestic product (GDP) per capita growth plus 1 percent, to GDP per capita growth plus 0.5 percent. Congressional Republicans have dismissed the President's budget as a nonstarter, and a decision has yet to be made on how to proceed on a FY 2017 congressional budget resolution. Hart Health Strategies Inc. prepared a compilation of key health provisions included in President Obama's FY 2017 Budget which may be found as an appendix to this document.

Inside

White House Requests Emergency Zika Funding.....	2
McConnell: The Senate Should Not Replace Scalia Until After Election.....	2
HELP Releases Agenda for Second Innovations Markup.....	2
Biden Appoints Leader of Cancer Moonshot.....	2
New Estimates Show Drop in Uninsured.....	3
Senate Finance Releases Comments on Chronic Care Options Paper.....	3
Walgreens Launches Effort to Fight Prescription Drug Abuse.....	3
Murkowski Lifts Hold on Calif Nomination.....	3
Committee Leaders Investigate Fraud and Abuse in Medicaid Program.....	4
Upcoming Congressional Meetings and Hearings.....	4
Introduced Health Legislation.....	4
Appendix: President's FY 2017 Budget	
Appendix: HELP Innovations Legislation	

White House Requests Emergency Zika Funding

The Obama Administration has requested \$1.8 billion in emergency funding from Congress to combat the Zika virus domestically and abroad. Officials have stressed the importance of fighting the virus before warmer months when mosquito bites become more common. Of the \$1.8 billion request, \$1.48 billion would go to the U.S. Department of Health and Human Services (HHS) and largely directed to the Centers for Disease Control and Prevention (CDC). The agency has said that it will work on better diagnostics for the virus and tracking of the people carrying it, with a focus on Puerto Rico and the southern continental United States – where people will be most exposed to the mosquito that carries that virus. Research and education efforts will be concentrated on women who are pregnant or may become pregnant. The CDC will also work to expand mosquito control in Zika-affected countries. \$200 million in funding would be set aside for the National Institutes of Health (NIH) for the development of a Zika vaccine, which administration officials say is possible as soon as late next year. The Centers for Medicare and Medicaid Services (CMS) would receive \$250 million to treat pregnant women and children who are at risk for or have been diagnosed with Zika in Puerto Rico. The United States Agency for International Development (USAID) would receive \$335 million in funding, and the State Department would receive \$41 million, for the purpose of contributing to the Zika-combating efforts. The CDC moved to Level 1 activation for Zika, its highest level for response, last week. Additionally, more than two dozen leading global health bodies, including government agencies, academic journals, non-governmental organizations, researchers, and institutes, pledged to share their data related to the Zika virus as soon as possible and free of charge.

McConnell: The Senate Should Not Replace Scalia Until After Election

Shortly following the announcement of Supreme Court Justice Antonin Scalia's death on Saturday, Senate Majority Leader Mitch McConnell (R-Ky.) signaled that the Senate will wait until after the November elections to confirm Scalia's replacement. President Obama announced his plan to nominate a successor. Senate Minority Leader Harry Reid (D-Nev.) immediately called for the Senate to begin the process of confirming a nominee to replace the Supreme Court Justice. Since McConnell sets the Senate's schedule, his remarks indicate that Republicans intend to not confirm any nominee put forward before the November election. Presidential candidate Senator Ted Cruz (R-Tex.) is threatening to filibuster any Supreme Court nominee prior to the election stating, "This should be a decision for the people."

HELP Releases Agenda for Second Innovations Markup

Following the unanimous approval of the first set of medical innovations legislation, the Senate Health, Education, Labor and Pensions (HELP) Committee released its agenda for its second innovations markup to be held on March 9. The Committee will consider the Advancing Hope Act of 2015 (S. 1878), from Sens. Casey (D-Pa.), Isakson (R-Ga.), Brown (D-Ohio), and Kirk (R-Ill.); the Medical Electronic Data Technology Enhancement for Consumer's Health (MEDTECH) Act (S. 1101), from Sens. Bennet (D-Colo.) and Hatch (R-Utah); the Medical Countermeasures Innovation Act of 2015 (S. 2055), from Sens. Burr (R-N.C.), Casey (D-Pa.), Isakson (R-Ga.), Roberts (R-Kan.); the Combination Products Innovation Act of 2015 (S.1767), from Sens. Isakson (R-Ga.), Casey (D-Pa.), Donnelly (D-Ind.) and Roberts (R-Kan.); and the Advancing Breakthrough Medical Devices for Patients Act of 2015 (S.1077), from Sens. Burr (R-N.C.), Bennet (D-Colo.), Hatch (R-Utah), and Donnelly (D-Ind.). Additional bipartisan proposals may be added at a later date. To assist your review of the legislation to be considered, Hart Health Strategies Inc. compiled relevant information related to the bills which may be found as an appendix to this document.

Biden Appoints Leader of Cancer Moonshot

Vice President Joe Biden has chosen his close advisor and political coordinator Don Graves to lead the cancer moonshot research initiative task force. Graves has personal experience with the disease having had a cancerous tumor removed and undergone radiation treatment only last year. He has stated that his mission will be to convince researchers and advocates to work together in order to facilitate faster progress in the search for a cure for cancer.

New Estimates Show Drop in Uninsured

According to a new report from the Centers for Disease Control and Prevention's (CDC) National Health Interview Survey, the national rate of uninsured has fallen from 14.4 percent in 2013 to 9.1 percent during the first nine months of 2015, a historic low. Eight states – Arizona, California, Colorado, Florida, Illinois, Kentucky, Michigan, and New York – saw a statistically significant drop in their number of uninsured residents during the time period. With the exception of Florida, each of these states have expanded their Medicaid programs since the passage of the Affordable Care Act (ACA). The uninsured rate for adults in Medicaid expansion states was 10 percent, versus 17.3 percent in non-expansion states. Approximately one-quarter of people surveyed who were poor or near-poor still lacked health insurance, as compared to 7.7 percent of people who were not poor.

Senate Finance Releases Comments on Chronic Care Options Paper

The Senate Finance Committee has released the comments submitted in response to the Committee's Chronic Care Working Group policy options paper. Last May, the Committee launched a bipartisan initiative to examine ways to improve health outcomes for Medicare beneficiaries with one or more chronic conditions. In December, the working group released a report outlining ways the Medicare program might better deliver health care to these patients. The Committee received 327 comments, which can be found [here](#).

Walgreens Launches Effort to Fight Prescription Drug Abuse

Last week, Walgreens announced that it will begin installing drug disposal stations for customers to throw away their old or unneeded prescriptions. The national pharmacy chain will also make naloxone, a drug used to counter overdoses, available without a prescription in at least 35 states. The announcement was made at an event in Washington, D.C. attended by Michael Botticelli, the director of the White House Office of National Drug Control Policy, who praised the company for its efforts to curb the abuse of prescription drugs.

FDA News

Murkowski Lifts Hold on Califf Nomination

Sen. Lisa Murkowski (R-Alaska) has lifted her hold on the nomination of Robert Califf to lead the Food and Drug Administration (FDA). She had blocked the consideration of the nominee because of concerns regarding the labeling of genetically engineered salmon, but has lifted her hold after working further with the agency on this issue. There now remain four known holds on Califf's nomination. Sen. Edward J. Markey (D-Mass.), Sen. Joe Manchin III (D-W.V.), and Sen. Kelly Ayotte (R-N.H.) have concerns regarding the FDA's approval of opioid painkillers, and Sen. Bernard Sanders (I-Vt.) opposes Califf's ties to the pharmaceutical industry. The Senate will hold a procedural vote on the nomination on Monday, February 22.

Committee Leaders Investigate Fraud and Abuse in Medicaid Program

House Energy and Commerce Committee Chairman Fred Upton (R-Mich.), Health Subcommittee Chairman Joseph Pitts (R-Pa.) and Senate Finance Committee Chairman Orrin Hatch (R-Utah) have **requested** that the Health and Human Services Office of the Inspector General (OIG) examine the degree to which the Medicaid program is paying for deceased beneficiaries or making payments to deceased providers or suppliers. A May 2015 report from the Government Accountability Office (GAO) found problems with Medicaid verifying whether program beneficiaries and providers were alive or dead, concluding that tens of millions of dollars per year were spent on deceased patients, doctors and suppliers.

Upcoming Congressional Meetings and Hearings

Senate Foreign Relations Committee hearing to examine the President's proposed budget request for fiscal year 2017 for the Department of State; 10:00 AM, 419 Dirksen Bldg.; February 23

Senate Armed Services Subcommittee on Personnel hearing to examine defense health care programs; 2:30 p.m., G-50 Dirksen Bldg.; February 23

House Veterans' Affairs Committee hearing: "Persian Gulf War: An Assessment of Health Outcomes on the 25th Anniversary;" 4:30 p.m., 334 Cannon Bldg.; February 23

Senate Health, Education, Labor and Pensions Committee hearing on the Zika virus; 10:00 a.m., 430 Dirksen Bldg.; February 24

Senate Health, Education, Labor and Pensions Committee executive session on the innovation agenda; time and place TBA; March 9

Senate Health, Education, Labor and Pensions Committee final markup on innovation agenda; time and place TBA; April 6

Introduced Health Legislation

S. 2511 (introduced by Sen. Alexander): A bill to improve Federal requirements relating to the development and use of electronic health records technology; to the Committee on Health, Education, Labor, and Pensions; February 8

S. 2512 (introduced by Sen. Franken): A bill to expand the tropical disease product priority review voucher program to encourage treatments for Zika virus; to the Committee on Health, Education, Labor, and Pensions; February 8

S. 2518 (introduced by Sen. Johnson): A bill to authorize the use of Ebola funds for Zika response and preparedness; to the Committee on Health, Education, Labor, and Pensions; February 9

S. 2519 (introduced by Sen. McCain): A bill to provide for incentives to encourage health insurance coverage, and for other purposes; to the Committee on Finance; February 9

S. 2520 (introduced by Sen. Klobuchar): A bill to amend title 38, United States Code, to improve the care provided by the Secretary of Veterans Affairs to newborn children; to the Committee on Veterans' Affairs; February 9

S. 2525 (introduced by Sen. Stabenow): A bill to increase the number of States that may conduct Medicaid demonstration programs to improve access to community mental health services; to the Committee on Finance; February 9

- S. 2542 (introduced by Sen. Capito): A bill to provide for alternative and updated certification requirements for participation under Medicaid State plans under title XIX of the Social Security Act in the case of certain facilities treating infants under one year of age with neonatal abstinence syndrome, and for other purposes; to the Committee on Finance; February 10
- S. 2543 (introduced by Sen. Machnin): A bill to direct the Secretary of Health and Human Services to amend the mission statement of the Food and Drug Administration; to the Committee on Health, Education, Labor, and Pensions; February 10
- S. 2545 (introduced by Sen. Shaheen): A bill to modify the requirements of the Department of Veterans Affairs for reimbursing health care providers under section 101 of the Veterans Access, Choice, and Accountability Act of 2014, and for other purposes; to the Committee on Veterans' Affairs; February 10
- S. 2542 (introduced by Sen. Capito): A bill to provide for alternative and updated certification requirements for participation under Medicaid State plans under title XIX of the Social Security Act in the case of certain facilities treating infants under one year of age with neonatal abstinence syndrome, and for other purposes; to the Committee on Finance; February 11
- S. 2543 (introduced by Sen. Machnin): A bill to direct the Secretary of Health and Human Services to amend the mission statement of the Food and Drug Administration; to the Committee on Health, Education, Labor, and Pensions; February 11
- S. 2545 (introduced by Sen. Shaheen): A bill to modify the requirements of the Department of Veterans Affairs for reimbursing health care providers under section 101 of the Veterans Access, Choice, and Accountability Act of 2014, and for other purposes; to the Committee on Veterans' Affairs; February 11
- H.R. 4499 (introduced by Rep. Mooney of West Virginia): A bill to amend title XVIII of the Social Security Act to remove consideration of certain pain-related issues from calculations under the Medicare hospital value-based purchasing program, and for other purposes; to the Committee on Ways and Means; February 9
- H.R. 4506 (introduced by Rep. Fortenberry): A bill to amend the Public Health Service Act to help health care consumers comparison shop for medical services based on quality and cost; to the Committee on Energy and Commerce; February 9
- H.R. 4513 (introduced by Rep. Zeldin): A bill to authorize the Secretary of Veterans Affairs to make grants to State and local entities to carry out peer-to-peer mental health programs; to the Committee on Veterans' Affairs; February 9
- H.R. 4553 (introduced by Rep. Harper): A bill to amend title XVIII of the Social Security Act to clarify reasonable costs for critical access hospital payments under the Medicare program, and for other purposes; to the Committee on Ways and Means, 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; February 12
- H.R. 4554 (introduced by Rep. Delbene): A bill to amend title 10, United States Code, to ensure that certain members of the National Guard serving on full-time National Guard duty and dependents remain eligible for the TRICARE program during periods in which the member is responding to a disaster; to the Committee on Armed Services; February 12
- H.R. 4556 (introduced by Rep. Cartwright): A bill to amend title 38, United States Code, to improve the authority of the Secretary of Veterans Affairs to hire psychiatrists; to the Committee on Veterans' Affairs; February 12
- H.R. 4560 (introduced by Rep. Beatty): A bill to assist survivors of stroke and other debilitating health occurrences in returning to work; to the Committee on Education and the Workforce; February 12

H.R. 4561 (introduced by Rep. Clawson): A bill to authorize the use of Ebola funds for Zika response and preparedness; to the Committee on Energy and Commerce; February 12

H.R. 4562 (introduced by Rep. Clawson): A bill to amend the Public Health Service Act to reauthorize a program to prevent and control mosquito-borne diseases; to the Committee on Energy and Commerce; February 12

H.R. 4563 (introduced by Rep. Clawson): A bill to amend the Internal Revenue Code of 1986 to provide a credit for research related to the development of a vaccine for the Zika virus; to the Committee on Ways and Means; February 12

H.R. 4565 (introduced by Rep. DeLauro): A bill to amend the Federal Food, Drug, and Cosmetic Act to restrict direct-to-consumer drug advertising; to the Committee on Energy and Commerce; February 12

H.R. 4567 (introduced by Rep. Lance): A bill to increase the number of States that may conduct Medicaid demonstration programs to improve access to community mental health services; to the Committee on Energy and Commerce; February 12

H.R. 4569 (introduced by Rep. Matsui): A bill to amend the Protecting Access to Medicare Act of 2014 (PAMA) to extend and expand the Medicaid community mental health services demonstration program; to the Committee on Energy and Commerce; February 12

H.R. 4571 (introduced by Rep. Moore): A bill to amend the Public Health Service Act to improve the health of children and help better understand and enhance awareness about unexpected sudden death in early life; to the Committee on Energy and Commerce; February 12