



Health Policy Briefing

March 21, 2016

House Budget Committee Marks Up Resolution

Last week, the House Budget Committee released their fiscal year 2017 budget resolution. The plan would reduce the deficit by \$7 trillion over the next decade, while retaining the spending ceilings agreed upon in last year’s budget deal. The plan assumes an overhaul of the tax system, full repeal of the 2010 health care law, and would implement the principles of Speaker of the House Paul Ryan’s (R-Wis.) Medicare premium support system. The resolution was officially opposed by the House Freedom Caucus, citing that the \$1.07 trillion discretionary spending level as too high. This position means that Republicans expect to lose roughly 30 to 40 votes on the floor. With 218 votes required for passage, and no Democrats expected to support the partisan budget document, passage of the resolution is unlikely. The House Budget Committee proceeded to mark up the budget resolution last week, and reported it out of committee by a vote of 20-16. The House Energy and Commerce Committee also approved a package that would cut \$25 billion in health spending over the next decade by a party-line vote. The package includes provisions that would cut federal contributions to state Medicaid programs and the Children’s Health Insurance Program. It would also repeal the Prevention and Public Health Fund established by the Affordable Care Act (ACA). Ten Democratic amendments were offered aimed at protecting funds for various projects, but none were approved. The House Ways and Means Committee also approved a plan by party-line vote that would save \$98 billion over the next 10 years through changes to the child tax credit, repealing a program that provides social services block grants to states, and requiring repayment of health care subsidies provided through the ACA’s exchanges. The measures to cut mandatory spending will be paired with the Republican budget resolution in order to garner support among the most conservative members of the party. The budget resolution will not be considered on the floor until after the spring recess. Subcommittees will begin marking up funding legislation this week, and House appropriators may begin bringing their spending bills to the floor as early as next month. The Senate has already started a two-week spring recess, and will reconvene on Monday, April 4.

Inside

- Finance Committee Releases Comments on Soverdi Report.....2
- CDC Issues Opioid Prescribing Guidelines.....2
- President Nominates Merrick Garland to Supreme Court.....2
- Greg Simon Named Executive Director of Cancer Moonshot.....2
- MedPAC March Report to Congress.....3
- Groups Push Back Against Medicare Part B Drug Payment Model.....3
- Sasse Unveils Report on ACA Exchanges.....3
- Upcoming Congressional Meetings and Hearings.....4
- Recently Introduced Health Legislation.....4

Finance Committee Releases Comments on Sovaldi Report

Senate Finance Committee Ranking Member Ron Wyden (D-Ore.) and former committee chairman Chuck Grassley (R-Iowa) have released the comments received from stakeholders in response to the questions raised in their investigation into the pricing and marketing of the Hepatitis C drug Sovaldi. The report was released on December 1, 2015. Since then, the committee received 63 comments from individuals, organizations and businesses from the health care and patient community. The submissions can be found [here](#).

CDC Issues Opioid Prescribing Guidelines

The Centers for Disease Control and Prevention (CDC) have released [final guidelines](#) for the prescribing of opioid medications. In order to improve patient care and safety, the agency recommends that non-opioid therapies be preferred for chronic pain outside of cancer or end-of-life care. CDC also suggests that the lowest effective dosage be prescribed and that doctors be vigilant in prescribing opioids and monitoring their use. Physicians should start patients on immediate release drugs before prescribing extended-release opioids. Prescribers should also begin with a dosage of three days or less before evaluating how well a treatment is working, continuing to check in at least every three months for patients requiring opioid medication for longer periods of time. For those patients with a history of abuse, providers should consider prescribing naloxone alongside the painkiller medication, check the patient through their prescription drug monitoring program, and test the patient for other medication and illicit drug use. For those individuals with a substance use disorder, physicians should arrange for medication-assisted treatment and behavioral therapy. The guidelines do not make recommendations about specific numbers of pills or dosages, and the agency acknowledges that the guidelines should not replace clinical judgment. The guidelines were met with praise from congressional leadership involved in recent efforts to address the opioid epidemic.

President Nominates Merrick Garland to Supreme Court

President Obama has announced Judge Merrick Garland as his nominee to fill Justice Antonin Scalia's seat on the Supreme Court. Garland led the effort on the Oklahoma City bombing and the Unabomber cases. He has been defended by the administration as a moderate with a centrist track record. He has been on the U.S. Court of Appeals for the D.C. Circuit for 19 years. The announcement was immediately met with opposition from congressional Republicans, who reiterated their intent to block the nomination to allow the next president to nominate someone.

Greg Simon Named Executive Director of Cancer Moonshot

The White House has named Greg Simon, a former pharmaceutical executive and congressional staffer, the executive director of the cancer moonshot initiative. In recent years he has worked as a venture capitalist in the biotechnology and life sciences sector. Cancer is also a subject of personal interest, given Simon's diagnosis and treatment for lymphocytic leukemia in 2014. Last week, Vice President Biden met with House Energy and Commerce Committee Chairman Fred Upton (R-Mich.), ranking member Frank Pallone Jr. (D-N.J.), Rep. Diana DeGette (D-Colo.), Senate Health, Education, Labor and Pensions Committee Chairman Lamar Alexander (R-Tenn.) and ranking member Patty Murray (D-Wash.) to discuss the lawmakers' medical innovation initiatives. The 21st Century Cures Act and the Senate Innovations package could be a potential path to funding for the cancer moonshot.

Medicare and Medicaid News

MedPAC March Report to Congress

Last week, the Medicare Payment Advisory Commission (MedPAC) sent their **March Report to Congress**. In the report, the advisory commission details proposals that would impact inpatient rehabilitation facilities (IRFs), 340B drugs, and Medicare Advantage plans. MedPAC recommends that Congress direct the U.S. Department of Health and Human Services (HHS) to analyze the coding used to set payments for people treated in IRFs. MedPAC's analysis indicates that some of these specialty hospitals appear to categorize patients as more functionally disabled than they actually are. The Commission also recommends that HHS reduce Medicare payments for drugs purchased through the 340B discount program by 10 percent of the average sales price (ASP). The report goes on to recommend the development of a risk adjustment model that uses two-years of data from Medicare and Medicare Advantage plans in order to better understand the differences in the assessment of patient health in bill coding.

Groups Push Back Against Medicare Part B Drug Payment Model

Stakeholders in the health care community continue to express opposition to the Centers for Medicare and Medicaid Services' (CMS) proposal to experiment with decreasing the cost of drugs purchased under Medicare Part B by reducing reimbursement for these drugs from average sales price (ASP) plus six percent to ASP plus 2.5 percent plus a flat fee. 100 groups cosigned a letter to U.S. Department of Health and Human Services (HHS) Secretary Burwell and CMS Acting Director Slavitt expressing concerns about the model and its potential impact on cancer patients. The ASP Coalition with more than 300 state and national organizations sent a letter to congressional leadership urging members to ask CMS to withdraw the proposed rule.

Affordable Care Act News

Sasse Unveils Report on ACA Exchanges

Senator Ben Sasse (R-Neb.) has issued a congressional **report** detailing a county-by-county analysis of consumer choice in the 2016 Affordable Care Act's (ACA) exchanges. The data indicates that the number of insurers selling coverage on the exchanges decreased from 307 to 289 between 2015 and 2016, a decline of six percent. Additionally, 36 percent of counties only have one or two insurers offering coverage, while another 26.8 percent of counties only have three insurers – totaling 63 percent of the country's counties with three or fewer insurers to choose from in 2016. Only 8.2 percent of the nation's counties have more than five insurers to choose from on the exchanges.

Upcoming Congressional Meetings and Hearings

POSTPONED: Senate Finance Committee markup to vote on the *nomination of Mary Katherine Wakefield to be deputy HHS secretary; time and place TBD*

House Judiciary Committee markup of H.R.4771, the “*Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act of 2016*”; 10:00 a.m., 2141 Rayburn Bldg.; March 22

House Appropriations Defense Subcommittee hearing on the *budget for the Defense Health Program*; 10:00 a.m., 2359 Rayburn Bldg.; March 22

House Oversight and Government Reform Committee hearing on “*America’s Heroin and Opioid Abuse Epidemic*”; 10:00 a.m., 2154 Rayburn Bldg.; March 22

House Small Business Economic Growth, Tax and Capital Access Subcommittee hearing on “*Lip Service but Little Else: Failure of the Small Business Health Insurance Tax Credit*”; 10:00 a.m., 2360 Rayburn Bldg.; March 22

House Veterans’ Affairs Health Subcommittee hearing on “*Choice Consolidation: Leveraging Provider Networks to Increase Veteran Access*”; 10:00 a.m., 334 Cannon Bldg.; March 22

House Appropriations Commerce, Justice, Science, and Related Agencies Subcommittee hearing on the *budget for the Drug Enforcement Administration*; 2:00 p.m., H-309, U.S. Capitol; March 22

House Oversight and Government Reform Health Care, Benefits and Administrative Rules Subcommittee hearing on “*Opportunities and Challenges in Advancing Health Information Technology*”; 2:00 p.m., 2154 Rayburn Bldg.; March 22

House Appropriations Labor, Health and Human Services, Education and Related Agencies Subcommittee hearing on the *budget for the Centers for Disease Control and Prevention*; 10:00 a.m., 2358-C Rayburn Bldg.; March 23

House Energy and Commerce special event titled “*Conversation on Child Cures*”; 10:00 a.m.; 2123 Rayburn Bldg.; March 23

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

Recently Introduced Health Legislation

H.R. 4732 (introduced by Rep. Ribble): A bill to amend title XVIII of the Social Security Act to *establish rules for payment for graduate medical education (GME) costs for hospitals that establish a new medical residency training program after hosting resident rotators for short durations; 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*; March 14

H.R.4756 (introduced by Rep. Tom Reed): A bill to amend title XVIII of the Social Security Act to *permit nurse practitioners to satisfy the documentation requirement under the Medicare program for coverage of certain shoes for individuals with diabetes; 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*; March 16

H.R.4762 (introduced by Rep. Mike Coffman): A bill to *amend the Federal Food, Drug, and Cosmetic Act with respect to cellular therapies; to the House Committee on Energy and Commerce*; March 16

H.R.4771 (introduced by Rep. Trent Franks): A bill to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system; 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; March 17

H.R.4774 (introduced by Rep. Kathy Castor): A bill amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, 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; March 17

H.R.4778 (introduced by Rep. Renee L. Ellmers): A bill to direct the Comptroller General to submit to Congress a report on medical items and services being offered in the facilities of recipients of assistance under title X of the Public Health Service Act (42 U.S.C. 300 et seq.) or of their affiliates, subsidiaries, successors, or clinics; to the House Committee on Energy and Commerce; March 17

H.R.4784 (introduced by Rep. Kurt Schrader): A bill to increase competition in the pharmaceutical industry; to the House Committee on Energy and Commerce; March 17

H.R.4801 (introduced by Rep. Michelle Lujan Grisham): A bill to amend title XXVII of the Public Health Service Act, and title XVIII of the Social Security Act, to direct the Secretary of Health and Human Services to conduct audits of medical loss ratio reports submitted by health insurance issuers, and for other purposes; Referred 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; March 17

H.R.4802 (introduced by Rep. Ben Ray Lujan): A bill to require consideration of the impact on beneficiary access to care and to enhance due process protections in procedures for suspending payments to Medicaid providers; to the House Committee on Energy and Commerce; March 17

H.R.4805 (introduced by Rep. Cathy McMorris Rodgers): A bill to amend the Health Information Technology for Economic and Clinical Health Act to provide that information held by health care clearinghouses is subject to privacy protections that are equivalent to the protections that apply to information held by other types of covered entities under the HIPAA Privacy Rule, and for other purposes; 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; March 17

H.R.4807 (introduced by Rep. Cedric L. Richmond): A bill to amend title XIX of the Social Security Act to provide the same level of Federal matching assistance, regardless of date of such expansion, for every State that chooses to expand Medicaid coverage to newly eligible individuals; to the House Committee on Energy and Commerce; March 17

S. 2671 (introduced by Sen. Nelson): A bill to amend title XVIII of the Social Security Act to establish rules for payment for graduate medical education (GME) costs for hospitals that establish a new medical residency training program after hosting resident rotators for short durations; to the Committee on Finance; March 14

S. 2672 (introduced by Sen. Collins): A bill to reauthorize the program of the Department of Veterans Affairs under which the Secretary of Veterans Affairs provides health services to veterans through qualifying non-Department health care providers; to the Committee on Veterans' Affairs; March 14

S. 2678 (introduced by Sen. Schatz): A bill to direct the NIH to intensify and coordinate fundamental, translational, and clinical research with respect to the understanding of pain, the discovery and development of therapies for chronic pain, and the development of alternatives to opioids for effective pain treatments; to the Committee on Health, Education, Labor, and Pensions; March 15

S. 2679 (introduced by Sen. Klobuchar): A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to establish within the Department of Veterans Affairs a center of excellence in the prevention, diagnosis, mitigation, treatment, and rehabilitation of health conditions relating to exposure to burn pits; to the Committee on Veterans' Affairs; March 15

S. 2680 (introduced by Sen. Alexander): A bill to amend the Public Health Service Act to provide comprehensive mental health reform, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; March 15

S. 2685 (introduced by Sen. Durbin): A bill to amend the Public Health Service Act to improve mental and behavioral health services on campuses of institutions of higher education; to the Committee on Health, Education, Labor, and Pensions; March 15

S. 2687 (introduced by Sen. Casey): A bill to amend the Child Abuse Prevention and Treatment Act to improve plans of safe care for infants affected by illegal substance abuse or withdrawal symptoms, or a Fetal Alcohol Spectrum Disorder, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; March 15

S.2689 (introduced by Sen. Mark Steven Kirk): A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to cellular therapies; to the Committee on Health, Education, Labor, and Pensions; March 16

S.2691 (introduced by Sen. Sheldon Whitehouse): A bill to require the Administrator of the Substance Abuse and Mental Health Services Administration to establish a pilot program for the adoption and use of certified electronic health records technology; to the Committee on Health, Education, Labor, and Pensions; March 16

S.2698 (introduced by Sen. John Thune): A bill to amend the Internal Revenue Code of 1986 to exclude certain health arrangements from the excise tax on employer-sponsored health coverage; to the Committee on Finance; March 16

S.2700 (introduced by Sen. Lamar Alexander): A bill to update the authorizing provisions relating to the workforces of the National Institutes of Health and the Food and Drug Administration, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; March 17

S.2701 (introduced by Sen. Martin Heinrich): A bill to require consideration of the impact on beneficiary access to care and to enhance due process protections in procedures for suspending payments to Medicaid providers; to the Committee on Finance; March 17

S.2713 (introduced by Sen. Lamar Alexander): A bill to provide for the implementation of a Precision Medicine Initiative; to the Committee on Health, Education, Labor, and Pensions; March 17

S.2736 (introduced by Sen. John Thune): A bill to improve access to durable medical equipment for Medicare beneficiaries under the Medicare program, and for other purposes; to the Committee on Finance; March 17

S.2737 (introduced by Sen. Amy Klobuchar): A bill to improve medical device innovation; to the Committee on Health, Education, Labor, and Pensions; March 17