



Health Policy Briefing

April 11, 2016

House Returns from Recess; Congress to Continue Appropriations Work

Both chambers of Congress will be in session this week following several weeks of spring recess, and both the House and the Senate plan to move ahead to consider (i.e., markup) the various spending bills. The House Appropriations Committee has three markups scheduled for Wednesday, along with consideration of a report on subcommittee discretionary spending levels allocations, in line with last year’s budget agreement. The full Appropriations Committee will consider the fiscal year (FY) 2017 Military Construction-Veterans Affairs (MilCon/VA) bill, while the Energy-Water and the Agriculture/FDA measures will be considered in their respective subcommittees. The Senate Appropriations Committee has two subcommittee markups, Energy-Water and Agriculture/FDA, on the calendar for Wednesday, and plans to send the bills to the full Committee and disclose subcommittee allocations on Thursday. The Senate allocations will also adhere to the topline numbers established in last year’s bipartisan agreement. It is unclear how the budget process will proceed if the stalemate over a budget resolution continues. The House Rules Committee will consider changes to modernize the authorization and appropriations processes during a hearing on Thursday, at least in part to attract support from conservatives for an FY 2017 budget resolution.

Cancer Moonshot Expert Panel Unveiled

The National Institutes of Health (NIH) announced the blue-ribbon panel of experts that will advise the agency’s work on the Cancer Moonshot Initiative. The 28-member board includes physicians, nurses, and researchers from institutions such as MD Anderson Cancer Center and the Dana Farber Cancer Institute, drug company and hospital system executives, and patient advocacy leaders. The panel will make recommendations on the best opportunities for breakthroughs in cancer research, considering areas such as immunotherapy, vaccine development, early-detection technology, single-cell genomic analysis, and improved data sharing. Their ideas will form a part of the research plan to be issued this summer, and will inform the Cancer Moonshot task force final report to be presented to the President by the end of the year.

Inside

Senate Wrapping Up Work on 21st Century Cures Companion.....	2
Administration Announces \$500 Million Toward Zika.....	2
Analysis of Part B Demonstration Released.....	2
Upcoming Congressional Meetings and Hearings.....	3
Recently Introduced Health Legislation.....	3

Senate Wrapping Up Work on 21st Century Cures Companion

The Senate Health, Education, Labor and Pensions (HELP) Committee held its last of three markups of biomedical innovations legislation. The Committee advanced five bills: the FDA and NIH Workforce Authorities Modernization Act (S. 2700), the Promise for Antibiotics and Therapeutics for Health (PATH) Act (S. 185), the Advancing Precision Medicine Act of 2016 Act (S. 2713), the Advancing NIH Strategic Planning and Representation in Medical Research Act (S. 2745), and the Promoting Biomedical Research and Public Health for Patients Act (S. 2742), making for a total of 19 bipartisan bills to comprise the Senate's work on medical innovation. Chairman Alexander stated that in this process, the committee considered as many as 50 proposals. The progress was hailed by leadership of the House Energy and Commerce Committee, who spearheaded the companion 21st Century Cures Act (H.R. 6), passed with bipartisan support last year. Negotiations on a deal for new mandatory funding for the National Institutes of Health (NIH) are still ongoing, and have been the largest point of contention in the Senate Innovations Initiative. Support for the Innovations Initiative from HELP Democrats has been contingent on the inclusion of new mandatory funding for the NIH and Food and Drug Administration (FDA). Chairman Lamar Alexander (R-Tenn.) has expressed support for NIH mandatory funding targeted to specific initiatives – the Cancer Moonshot, the Precision Medicine Initiative, the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative, the young investigator corps, and Big Biothink Awards – but because funding offsets are likely to come from outside of HELP's jurisdiction, Senate Finance Committee Chairman Orrin Hatch (R-Utah) and Ranking Member Ron Wyden (D-Ore.) are also involved in the negotiation. The 21st Century Cures Act included \$9 billion for the NIH and FDA. Sen. Alexander has said that a completed package could be ready for the floor as early as this week, and that he has received assurance from Majority Leader Mitch McConnell (R-Ky.) that he will put the bill on the floor when the work is completed.

Administration Announces \$500 Million Toward Zika

The Administration announced that it has been forced to repurpose \$500 million from the funding pool reserved for the Ebola virus for time critical activities to address the Zika virus. Most of the funds will go to the Centers for Disease Control and Prevention (CDC), to support activities such as mosquito control and vaccine development, as the warm weather will result in an increase in mosquito activity. Congressional Republicans have been pushing for this approach to the Zika outbreak, but the idea was previously dismissed by the White House. In their announcement, White House officials continued to criticize budget leaders in congress for continuing to ignore their request for an additional \$2 billion in funding specifically for Zika, but members of the GOP hold that they will not approve the request while there remains more than \$1 billion in funding originally allocated during the height of the Ebola crisis.

Analysis of Part B Demonstration Released

Avalere Health has released a new [analysis](#) indicating that the Medicare Part B payment changes recently proposed by the Centers for Medicare and Medicaid Services (CMS) would reduce payments to hospitals and some specialists, while increasing payments to primary care providers. Avalere finds that the demonstration would reduce reimbursement for drugs that cost more than \$480 per day. Products costing less than \$480 would receive comparatively higher payments. This would redistribute Part B spending across provider types. Hospital outpatient departments are projected to lose the most revenue under the new payment model, and ophthalmologists would be the most effected specialists, followed by oncologists and rheumatologists. Primary care providers and orthopaedic surgeons stand to benefit the most from the proposed program. The study also shows that seven of the ten drugs that would be subject to the largest reduction in reimbursement are used to treat cancer, two are used to treat ophthalmic conditions, and one is used to treat immunologic conditions. More than one million beneficiaries were treated with one of these ten drugs in 2014.

Upcoming Congressional Meetings and Hearings

House Appropriations Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee markup of the FY2017 Agriculture/FDA Appropriations Bill; 4:00 p.m., 2362-A Rayburn Bldg.; April 13

House Ways and Means Committee hearing on the Tax Treatment of Health Care; 10:00 a.m., 1100 Longworth Bldg.; April 14

House Education and the Workforce Health, Employment, Labor, and Pensions Subcommittee hearing on “Innovations in Health Care: Exploring Free-Market Solutions for a Healthy Workforce;” 10:30 a.m., 2176 Rayburn Bldg.; April 14

House Energy and Commerce Oversight and Investigations Subcommittee hearing on “Unlawful Reinsurance Payments: CMS Diverting \$3.5 Billion from Taxpayers to Pay Insurance Companies;” 9:30 a.m., 2123 Rayburn Bldg.; April 15

House Veterans’ Affairs Committee hearing: “A Continued Assessment of Delays in Veterans’ Access to Health Care;” 10:30 a.m., 334 Cannon Bldg.; April 19

House Veterans’ Affairs Health Subcommittee hearing on: H.R. 2460; H.R. 3956; H.R. 3974; H.R. 3989; draft legislation to ensure that each VA medical facility complies with requirements relating to scheduling veterans for health care appointments and to improve the uniform application of directives; and, draft legislation to direct VA to establish a list of drugs that require an increased level of informed consent”; 10:00 a.m., 334 Cannon Bldg.; April 20

Senate Special Aging Committee hearing on the committee’s investigation into the sudden, aggressive price spikes of decades-old prescription drugs; time and place TBA; April 27

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

Recently Introduced Health Legislation

S. 2742 (introduced by Sen. Alexander): A bill to amend title IV of the Public Health Service Act regarding the national research institutes, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; April 4

S. 2744 (introduced by Sen. Warren): A bill to amend the Public Health Service Act to protect the privacy of individuals who are research subjects, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; April 5

S. 2745 (introduced by Sen. Collins): A bill to amend the Public Health Service Act to promote the inclusion of minorities in clinical research, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; April 5

S. 2748 (introduced by Sen. Baldwin): A bill to amend the Public Health Service Act to increase the number of permanent faculty in palliative care at accredited allopathic and osteopathic medical schools, nursing schools, social work schools, and other programs, including physician assistant education programs, to promote education and research in palliative care and hospice, and to support the development of faculty careers in academic palliative medicine; to the Committee on Health, Education, Labor, and Pensions; April 5

S. 2758 (introduced by Sen. Johnson): 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 Finance; April 7

S. 2762 (introduced by Sen. Coats): A bill to amend the Internal Revenue Code of 1986 to provide for full recapture of the refundable credit for coverage under a qualified health plan in the case of individuals who are not lawfully present in the United States or who are incarcerated; to the Committee on Finance; April 7

S. 2765 (introduced by Sen. Booker): A bill to provide for the overall health and well-being of young people, including the promotion of comprehensive sexual health and healthy relationships, the reduction of unintended pregnancy and sexually transmitted infections (STIs), including HIV, and the prevention of dating violence and sexual assault, and for other purposes; to the Committee on Health, Education, Labor, and Pensions; April 7