



Health Policy Briefing

August 21, 2017

Request for GAO Report on ACA Enforcement

Two Democratic lawmakers are **requesting** that the Government Accountability Office (GAO) study whether the Trump Administration has undermined the law in enforcing the Affordable Care Act's (ACA) individual mandate. The White House has indicated that it won't require all Americans to have health insurance, which Reps. Frank Pallone (D-N.J.) and Richard Neal (D-Mass.) argue is contributing to higher health insurance premiums and instability in the market. The Internal Revenue Service (IRS) had previously announced that it would not reject tax filings that don't indicate whether the filer was insured, which could allow some people to avoid the individual mandate penalty. Additionally, the President's first executive order instructed agencies to reduce the financial burden of the law. Rep. Pallone is the ranking member of the House Energy and Commerce Committee and Rep. Neal is the ranking member of the House Ways and Means Committee. They request that the GAO determine how the Administration enforced the penalty in 2016, and how they plan to enforce it in 2017.

House Republicans Draft Bill to Fund CSR Payments

Two conservative lawmakers in the House are working on legislation to strengthen the Affordable Care Act's (ACA) health insurance marketplaces. The legislation from Reps. Tom MacArthur (R-N.J.) and Mark Meadows (R-N.C.) would fund the cost-sharing reduction (CSR) program in order to stabilize the health insurance market. While both lawmakers are in favor of repealing the 2010 health care law, the bill would allow for low-income enrollees to be subsidized and for insurance companies to set adequate rates.

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CBO Releases CSR Analysis

Last week, the Congressional Budget Office (CBO) released a report analyzing the potential effects of terminating cost-sharing reduction (CSR) payments. Ending the payments to insurers would increase the deficit by \$194 billion over the next decade. It would also cause insurers to raise premiums by approximately 20 percent to cover costs. While the Administration characterized the report as flawed, the White House nevertheless announced its decision to keep paying the CSR payments through August. The President has previously threatened to end the subsidies if Congress did not successfully repeal the Affordable Care Act (ACA), and the future of the payments, estimated to total \$7 billion this year, is still uncertain. Without congressional appropriation, the Administration could choose to stop the payments in any month.

ONC to Hold Meetings on Interoperability

The Office of the National Coordinator (ONC) plans to hold two stakeholder forums before the end of the year focusing on a nationwide framework for electronic health-data exchange. Full adoption of interoperability is a high priority for the ONC, particularly in order to support providers participating in value-based payment programs. The first meeting is likely to be scheduled before the end of September.

Dems Launch Investigation into MS Therapy Costs

Democrats on the House Committee on Oversight and Government Reform have launched an **investigation** into the rising cost of treatments for Multiple Sclerosis (MS). Reps. Elijah Cummings (D-Md.) and Peter Welch (D-Vt.) are requesting information from Bayer, Biogen, EMD Serono, Novartis, Roche Holding, Sanofi and Teva Pharmaceutical about corporate profits, expenses, pricing strategies, patient assistance programs, and drug distribution systems. While annual sales of MS drugs doubled between 2008 and 2012, the cost of the average MS therapy rose from \$16,050 per patient in 2004 to more than \$60,000 per person in 2015. The lawmakers requested a response by August 31, 2017.

DoJ Finalizes Mylan Settlement

Last week, the Justice Department finalized Mylan's \$465 million settlement of a case claiming that the company defrauded the Medicaid program through its misclassification of its EpiPen product as a generic drug. The settlement has been criticized by lawmakers on both sides of the aisle. Sen. Chuck Grassley (R-Iowa) expressed his disappointment with both Mylan for overcharging taxpayers, and with the Centers for Medicare and Medicaid Service (CMS) for failing to follow through when made aware of the problem. Rep. Lloyd Doggett (D-Texas), chairman of the Prescription Drug Task Force, also criticized the news, describing Mylan as a price gouger operating at the taxpayer expense.

Upcoming Congressional Hearings and Meetings

Field Hearing: VA Home Telehealth: Looking Behind the Numbers; Subcommittee on Oversight and Investigations (Committee on Veterans' Affairs), Wednesday, August 30, 2017 (8:30 AM local time), Garfield Charter Township Board Room, 3848 Veterans Drive, Traverse City, MI 49684